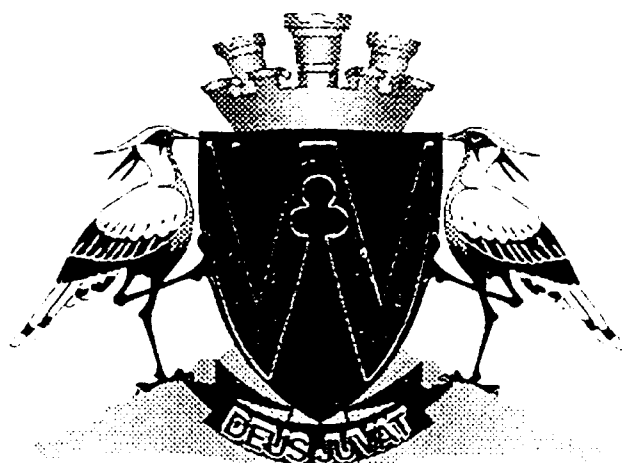


SENTRAAL KAROO

**Distriksmunisipaliteit
District Municipality**



**Finansiële State
Financial Statements**

2008/09

CENTRAL KAROO DISTRICT MUNICIPALITY

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CENTRAL KAROO DISTRICT MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

GENERAL INFORMATION

NATURE OF BUSINESS

Central Karoo District Municipality is a District Municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category C Municipality (District Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Central Karoo District Municipality includes the following areas:

Beaufort West

Prince Albert

Laingsburg

DMA Murraysburg

MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor

Deputy Executive Mayor

Executive Councillor

MUNICIPAL MANAGER

Mr. S Jooste

CHIEF FINANCIAL OFFICER

Mr. C J Kymdell

REGISTERED OFFICE

Private Bag X560

BEAUFORT WEST

6970

AUDITORS

Auditor-General of South Africa

Private Bag X1

Chempet

7442

PRINCIPLE BANKERS

First National Bank

ATTORNEYS

Van Niekerk Attorneys

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)

Division of Revenue Act

The Income Tax Act

Value Added Tax Act

Municipal Structures Act (Act no 117 of 1998)

Municipal Systems Act (Act no 32 of 2000)

Municipal Planning and Performance Management Regulations

Water Services Act (Act no 108 of 1997)

Housing Act (Act no 107 of 1997)

Municipal Property Rates Act (Act no 6 of 2004)

Electricity Act (Act no 41 of 1987)

Skills Development Levies Act (Act no 9 of 1999)

Employment Equity Act (Act no 55 of 1998)

Unemployment Insurance Act (Act no 30 of 1966)

Basic Conditions of Employment Act (Act no 75 of 1997)

Supply Chain Management Regulations, 2005

Collective Agreements

Infrastructure Grants

SALBC Leave Regulations

CENTRAL KAROO DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

for the year ended

30 June 2009

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 70, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 21 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.



S Jooste
Municipal Manager

13 / 11 / 2009

Date

CENTRAL KAROO DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2009

	12	Notes	2009 R	2008 R
NET ASSETS AND LIABILITIES				
Net Assets			22,451,545	17,608,472
Housing Development Fund	1		348,691	348,691
Capital Replacement Reserve	2		-	-
Capitalisation Reserve	2		-	-
Government Grant Reserve	2		-	-
Donations and Public Contribution Reserve	2		-	-
Self Insurance Reserve	2		-	-
Change in accounting policy - Note 40.4	2		-	-
Accumulated Surplus/(Deficit)			22,102,854	17,259,781
Non-Current Liabilities			8,313,008	8,539,228
Long-term Liabilities	3		39,861	145,448
Employee Benefits	4		8,273,147	8,393,780
Current Liabilities			11,169,346	9,638,941
Consumer Deposits	5		15,792	15,622
Provisions	6.2		130,000	118,182
Short Term Employee Benefits	6.1		885,139	783,409
Trade and other payables	7		4,196,026	3,196,582
Unspent Conditional Government Grants and Receipts	8		3,045,485	5,002,322
Unspent Conditional Public Contributions and Receipts	9		-	-
Taxes	10		-	473,048
Short-term Loans	11		-	-
Operating Lease Liability			-	-
Cash and Cash Equivalents	21		2,806,149	-
Current Portion of Long-term Liabilities	3		90,754	49,776
Total Net Assets and Liabilities			41,933,899	35,786,641
ASSETS				
Non-Current Assets			34,038,011	28,383,680
Property, Plant and Equipment	12		34,004,749.00	28,345,734
Non-Current Assets Held for Sale	13		-	-
Investment Property	14		-	-
Intangible Assets	15		33,262	37,946
Investments	16		-	-
Long-Term Receivables	17		-	-
Current Assets			7,895,888	7,402,961
Inventory	18		869,055	868,999
Trade Receivables from exchange transactions	19		430,121	537,034
Other Receivables from non-exchange transactions	20		1,267,468	1,202,876
Unpaid Conditional Government Grants and Receipts	8		4,928,727	4,329,655
Operating Lease Asset			-	-
Taxes	10		350,796	-
Current Portion of Long-term Receivables	17		-	-
Cash and Cash Equivalents	21		49,721	464,396
Total Assets			41,933,899	35,786,641

CENTRAL KAROO DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

	12	Notes	2009 R	2008 R
REVENUE				
Revenue from Non-exchange Transactions			28,192,382	20,563,808
Taxation Revenue			703,461	682,446
Property taxes	22		703,461	682,446
Change in accounting policy - Note 40.4			26,846,322	19,866,767
Government Grants and Subsidies	23		26,846,322	19,866,767
Public Contributions and Donations			-	-
Contributed Property, Plant and Equipment			-	-
Other Revenue			642,599	14,595
Fines			32,057	14,595
Third party payments			-	-
Stock adjustments			-	-
Actuarial Gains	4		610,542	-
Changes in Fair Value	26.1		-	-
Other			-	-
Revenue from Exchange Transactions			28,058,506	25,792,085
Property Rates - penalties imposed and collection charges			-	-
Service Charges	28		2,074,545	2,787,084
Water Services Authority Contribution			-	-
Rental of Facilities and Equipment			93,939	123,020
Interest Earned - external investments			178,528	539,863
Interest Earned - outstanding debtors			184	7,843
Licences and Permits			241,184	212,238
Income for Agency Services			24,109,897	21,454,190
Other Income	30		1,360,230	667,847
Unamortised discount - Interest	31		-	-
Total Revenue			56,250,888	46,355,893
EXPENDITURE				
Employee related costs	32		9,432,119	10,594,066
Remuneration of Councillors	33		2,548,062	2,295,020
Debt Impairment	34		580,888	621,258
Collection costs			-	-
Depreciation and Amortisation			1,614,266	1,420,519
Impairments			-	-
Repairs and Maintenance			422,366	313,132
Unamortised discount - Interest	31		-	-
Actuarial losses	4		-	602,655
Finance Charges	36		986,074	720,370
Bulk Purchases	37		931,624	708,348
Contracted services			351,288	345,260
Grants and Subsidies Paid	38		-	2,915,257
Other Operating Grant Expenditure			-	-
General Expenses	39		34,526,331	29,471,493
Changes in Fair Value	26.2		-	-
Total Expenditure			51,393,018	50,007,378
Operating Surplus for the Year			4,857,870	(3,651,485)
Loss on disposal of Property, Plant and Equipment			(14,798)	-
Gain on disposal of Property, Plant and Equipment			-	-
NET SURPLUS/(DEFICIT) FOR THE YEAR			4,843,073	(3,651,485)
Refer to Appendix E(1) for explanation of variances				

CENTRAL KAROO DISTRICT MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	12	2009 R	2008 R
	Notes		
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		57,051,790	46,330,065
Cash paid to suppliers and employees		(52,117,236)	(45,808,237)
Cash generated/(absorbed) by operations	42	4,934,554	521,828
Interest Received	Fin.Perf.	178,528	539,863
Interest Paid	Fin.Perf.	(986,074)	(53,132)
Change in accounting policy - Note 40.4		4,127,009	1,008,559
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	12	(7,267,410)	(2,039,383)
Proceeds on Disposal of Fixed Assets		-0	-
(Increase)/Decrease in Intangible Assets	15	(15,985)	(15,240)
(Increase)/Decrease in Long-term Receivables		-	-
(Increase)/Decrease in Non-current Investments		-	-
Net Cash from Investing Activities		(7,283,395)	(2,054,623)
CASH FLOW FROM FINANCING ACTIVITIES			
New loans raised/(repaid)	App. A	(64,608)	9,770
Increase/(Decrease) in Consumer Deposits	5	170	495
Net Cash from Financing Activities		(64,438)	10,265
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(3,220,825)	(1,035,799)
Cash and Cash Equivalents at the beginning of the year		464,396	(1,500,195)
Cash and Cash Equivalents at the end of the year	43	(2,756,428)	464,396
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(3,220,825)	(1,035,799)

CENTRAL KAROO DISTRICT MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009

12	Pre-GAMAP Reserves and Funds	Housing Development Fund	Capital Replacement Reserve	Capitalisation Reserve	Government Grant Reserve	Donations and Public Contribution Reserve	Self Insurance Reserve	Revaluation Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R	R	R	R	R	R
Balance at 1 JULY 2007	-	348,691	-	114,382	19,094,920	-	-	-	4,165,591	23,723,584
Correction of Error - Note 41.8									(50,177)	(50,177)
Change in accounting policy - Note 40.4									5,675,191	
Change in accounting policy - Note 40.4				(114,382)	(19,094,920)				11,120,661	(8,088,641)
Restated Balance		348,691		-	-				20,911,266	15,584,786
Net Surplus/(Deficit) for the year									(3,651,485)	(3,651,485)
Correction of Error - Note 43.9									-	-
Change in accounting policy - Note 40.4	-		-	-	-	-			-	-
Transfer to/from CRR									-	-
Property, Plant and Equipment purchased									-	-
Capital Grants used to purchase PPE					-				-	-
Transfer to Housing Development Fund									-	-
Asset Disposals									-	-
Offsetting of depreciation				-	-				-	-
Balance at 30 JUNE 2008	-	348,691	-	-	-	-	-	-	17,259,781	11,933,281
Correction of error - Note 41.8	-	-	-	-	-	-	-	-	-	-
Change in accounting policy - Note 40.4									-	-
Restated balance	-	348,691	-	-	-	-	-	-	17,259,781	11,933,281
Net Surplus/(Deficit) for the year		-	-	-	-	-	-	-	4,843,073	4,843,073
Transfer to/from Government Grant Reserve		-	-	-	-	-	-	-	-	-
Transfer to/from Capitalisation Reserve				-					-	-
Property, Plant and Equipment purchased		-	-	-	-	-	-	-	-	-
Capital Grants used to purchase PPE		-	-	-	-	-	-	-	-	-
Transfer to Housing Development Fund		-	-	-	-	-	-	-	-	-
Asset Disposals		-	-	-	-	-	-	-	-	-
Offsetting of depreciation		-	-	-	-	-	-	-	-	-
Balance at 30 JUNE 2009	-	348,691	-	-	-	-	-	-	22,102,854	16,776,354

CENTRAL KAROO DISTRICT MUNICIPALITY

**ACCOUNTING PRINCIPLES AND POLICIES NOTES APPLIED IN THE
FINANCIAL STATEMENTS**

1.1. BASIS OF PREPARATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Directive 5 "Determining the GRAP Reporting Framework", issued by the Accounting Standards Board.

The standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associate
GRAP 8	Interests in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economics
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the reporting date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment (PPE)
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 100	Non-Current Assets Held for Sale and Discontinued Operations
GRAP 101	Agricultural
GRAP 102	Intangible assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3.

A summary of the significant accounting policies, which have been consistently applied except where an exemption or transitional provision has been granted, are disclosed below.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

CENTRAL KAROO DISTRICT MUNICIPALITY

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the Financial Statements.

In terms of Directive 4: "Transitional Provisions for Medium and Low Capacity Municipalities" issued by the Accounting Standards Board the municipality has adopted the transitional provisions for the following GRAP Standards:

GRAP 12 – Inventories;
GRAP 13 – Leases;
GRAP 16 – Investment Property;
GRAP 17 – Property, Plant and Equipment;
GRAP 19 – Provisions, Contingent Liabilities and Contingent Assets;
GRAP 100 – Non-current Assets Held for Sale and Discontinued Operations;
GRAP 102 – Intangible Assets.

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. No financial values are given in an abbreviated display format. No foreign exchange transactions are included in the statements.

1.3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

1.4. COMPARATIVE INFORMATION

Budget information in accordance with GRAP 1, has been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 18	Segment Reporting
GRAP 21	Impairment of non-cash-generating assets
GRAP 23	Revenue from Non-Exchange Transactions (Taxes and Transfers)
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 26	Impairment of cash-generating assets
GRAP 103	Heritage Assets

CENTRAL KAROO DISTRICT MUNICIPALITY

1.6. FOREIGN CURRENCY TRANSACTIONS

The Municipality will not incur a foreign currency liability other than that allowed by the MFMA.

1.7. RESERVES

1.7.1 *Housing Development Fund*

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from National and Provincial Government, used to finance housing selling schemes undertaken by the Municipality, were extinguished on 1 April 1998 and transferred to the Housing Development Fund. Housing selling schemes, both completed and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sale of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.7.2 *Capital Replacement Reserve (CRR)*

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus / (deficit) to the CRR. The cash in the CRR can only be utilized to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus / (Deficit) are credited by a corresponding amount when the amounts in the CRR are utilized.

1.7.3 *Revaluation Reserve*

The surplus arising from the revaluation of game is credited to a non-distributable reserve. On disposal, the net revaluation surplus is transferred to the accumulated surplus / (deficit) while gains or losses on disposal, based on revaluated amounts, are charged to the Statement of Financial Performance.

1.8. LEASES

1.8.1 *Municipality as Lessee*

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Transfer of ownership is not required to be recognised as a finance lease. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables.

CENTRAL KAROO DISTRICT MUNICIPALITY

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

1.8.2 Municipality as Lessor

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

1.9. UNSPENT CONDITIONAL GRANTS

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

1.10. PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The municipality has a detailed formal plan for the restructuring identifying at least:
- the business or part of a business concerned;
 - the principal locations affected;
 - the location, function and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented.

CENTRAL KAROO DISTRICT MUNICIPALITY

- (b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

1.11. EMPLOYEE BENEFITS

(a) *Post Retirement Medical obligations*

The municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% are paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

(b) *Accrued Leave Pay*

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

1.12. PROPERTY, PLANT AND EQUIPMENT

1.12.1 *Initial Recognition*

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

CENTRAL KAROO DISTRICT MUNICIPALITY

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

1.12.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

1.12.3 Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated useful lives

	Years		Years
<u>Infrastructure</u>		<u>Other</u>	
Roads and Paving	30-167	Buildings	30
Pedestrian Malls	30-167	Specialist vehicles	10
Electricity	20-167	Other vehicles	5
Water	15-167	Office equipment	3-7
Sewerage	15-167	Furniture and fittings	7-10
Housing	30	Watercraft	15
		Bins and containers	5
<u>Community</u>		Specialised plant and	
Buildings	30	Equipment	10-15
Recreational Facilities	20-30	Other plant and	
Security	5	Equipment	2-5
Halls	20-30	Landfill sites	15
Libraries	20-30	Quarries	25
Parks and gardens	15-20	Emergency equipment	10
Other assets	15-20	Computer equipment	3
<u>Heritage assets</u>			
No depreciation			
<u>Finance lease assets</u>			
Office equipment	3		
Other assets	5		

1.12.4 De-recognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

CENTRAL KAROO DISTRICT MUNICIPALITY

1.13. INTANGIBLE ASSETS

1.13.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

1.13.2 Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

1.13.3 Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated useful lives:

<u>Intangible Assets</u>	Years
Computer Software	3

1.13.4 De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

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1.14. INVESTMENT PROPERTY

1.14.1 Initial Recognition

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

The cost of self-constructed investment property is the cost at date of completion.

1.14.2 Subsequent Measurement – Fair Value Model

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.

1.14.3 De-recognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.15. NON-CURRENT ASSETS HELD FOR SALE

1.15.1 Initial Recognition

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

1.15.2 Subsequent Measurement

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

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Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

1.16. CONSTRUCTION CONTRACTS

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by either the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs or surveys of work done or completion of a physical proportion of the contract work.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

1.17. IMPAIRMENT OF ASSETS

The municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

1.18. INVENTORIES

1.18.1 Initial Recognition

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed

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or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

1.18.2 Subsequent Measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the weighted average method.

1.19. FINANCIAL INSTRUMENTS

Financial instruments recognised on the balance sheet include trade and other receivables, cash and cash equivalents, annuity loans and trade and other payables.

1.19.1 Initial Recognition

Financial instruments are initially recognised at fair value.

1.19.2 Subsequent Measurement

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to-maturity, loans and receivables, or available for sale. Financial Liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is in accordance with IAS 39.

1.19.2.1 Investments

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairments and is calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

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1.19.2.2 Trade and Other Receivables

For amounts due from debtors carried at amortised cost, the municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the income statement.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

1.19.2.3 Trade Payables and Borrowings

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.19.2.4 Cash and Cash Equivalents

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

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1.19.3 De-recognition of Financial Instruments

1.19.3.1 Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the municipality has transferred substantially all the risks and rewards of the asset, or (b) the municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the municipality's continuing involvement is the amount of the transferred asset that the municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.19.3.2 Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

1.19.4 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.19.5 Impairment of Financial Assets

The Municipality assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred

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'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

1.20. REVENUE

1.20.1 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis as an exchange transaction.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

1.20.2 Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered/ goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period

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in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse points per property.

Service charges from sewerage are based on a basic charge as per Council resolution.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

1.20.3 Grants, Transfers and Donations (Non-Exchange Revenue)

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

1.21. TAXES

The Council accounts for Value Added Tax on the payments basis. This means that VAT is declared to the South African Revenue Services as input VAT or output VAT only when payments are made to suppliers or payments are received for goods or services. The net output VAT on debtors where money has not been received or creditors where payment has not yet been made is disclosed separately in the Statement of Financial Position in terms of GRAP

1.22. CAPITAL COMMITMENTS

Capital commitments in respect of future capital expenses are recognised when approved by council. Capital commitments are disclosed in the financial statements in a separate note. Distinguish is made between future capital expenditure approved and contracted for and future capital expenditure approved and not contracted for. Funding sources of these future capital commitments are also disclosed.

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1.23. RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. It includes full-time councillors, being the Executive Mayor, Deputy Mayor and Speaker. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.24. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.25. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.26. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.27. CONTINGENT LIABILITIES

All known contingent liabilities are reflected in the financial statements.

1.28. AMENDED DISCLOSURE POLICY

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include fundamental errors, and the treatment of assets financed by external grants.

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
1 HOUSING DEVELOPMENT FUND		
Housing Development Fund	348,691	348,691
Unappropriated Surplus	348,691	348,691
Loans extinguished by Government on 1 April 1998	-	-
Total Housing Development Fund Assets and Liabilities	348,691	348,691
Change in accounting policy - Note 40.4		
	2009 R	2008 R
2 NET ASSET RESERVES		
RESERVES	-	-
Capital Replacement Reserve	-	-
Capitalisation Reserve	-	-
Government Grant Reserve	-	-
Donations and Public Contribution Reserve	-	-
Self Insurance Reserve	-	-
Revaluation Reserve	-	-
Total Net Asset Reserve and Liabilities	-	-
	2009 R	2008 R
3 LONG TERM LIABILITIES		
Annuity Loans - At amortised cost		
Local Registered Stock		
Capitalised Lease Liability - At amortised cost	130,615	195,224
	130,615	195,224
Less: Current Portion transferred to Current Liabilities	(90,754)	(49,776)
Annuity Loans - At amortised cost		
Local Registered Stock		
Capitalised Lease Liability - At amortised cost	(90,754)	(49,776)
	39,861	145,448
Plus: Unamortised charges on loans	-	-
Balance 1 July	-	-
Adjustment for the period	-	-
Restatement of prior year comparatives Note 43	-	-
Total Long-term Liabilities - At amortised cost using the effective interest rate method	39,861	145,448
	2009 R	2008 R
The obligations under finance leases are scheduled below:		
	Minimum lease payments	
Amounts payable under finance leases:		
Payable within one year	90,754	49,776
Payable within two to five years	60,661	145,448
Payable after five years	-	-
	151,615	195,224
Less: Future finance obligations	-	-
Present value of lease obligations	151,615	195,224

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

Leases are secured by property, plant and equipment - Note 12

EMPLOYEE BENEFITS

	2009 R	2008 R
Provision for Post Retirement Benefits	7,572,363	7,771,946
Provision for Ex-Gratia Pension Benefits	23,934	24,810
Provision for Long Service Awards	676,850	597,024
Total Non-current Provision Liabilities	8,273,147	8,393,780

Exemptions taken for provisions according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities - Note 57

	2009 R	2008 R
Post Retirement Benefits		
Balance 1 July	8,311,586	7,567,061
Contribution for the year	966,299	686,656
Expenditure for the year	(539,640)	(512,046)
Actuarial Loss/(Gain)	(585,154)	569,915
Total provision 30 June	8,153,091	8,311,586
Less: Transfer of Current Portion to Current Provisions - Note 6	(580,728)	(539,640)
Balance 30 June	7,572,363	7,771,946

	2009 R	2008 R
Ex-Gratia Pensions		
Balance 1 July	24,810	23,647
Contribution for the year	2,725	2,008
Expenditure for the year	-	-
Actuarial Loss/(Gain)	(3,601)	(845)
Total provision 30 June	23,934	24,810
Less: Transfer of Current Portion to Current Provisions - Note 6	-	-
Balance 30 June	23,934	24,810

	2009 R	2008 R
Long Service Awards		
Balance 1 July	652,186	544,567
Contribution for the year	150,823	112,853
Expenditure for the year	(55,162)	(38,819)
Actuarial Loss/(Gain)	(21,787)	33,585
Total provision 30 June	726,060	652,186
Less: Transfer of Current Portion to Current Provisions - Note 6	(49,210)	(55,162)
Balance 30 June	676,850	597,024

	2009 R	2008 R
Landfill Sites		
Balance 1 July	118,182	107,438
Contribution for the year	11,818	10,744
Expenditure for the year	-	-
Actuarial Loss/(Gain)	-	-
Total provision 30 June	130,000	118,182
Less: Transfer of Current Portion to Current Provisions - Note 6	(130,000)	(118,182)
Balance 30 June	-	-

	2009 R	2008 R
TOTAL NON-CURRENT PROVISIONS		
Balance 1 July	9,106,764	8,242,713
Contribution for the year	1,131,665	812,261
Expenditure for the year	(594,802)	(550,865)
Actuarial Loss/(Gain)	(610,542)	602,655
Total provision 30 June	9,033,085	9,106,764
Less: Transfer of Current Portion to Current Provisions - Note 6	(759,938)	(712,984)
Balance 30 June	8,273,147	8,393,780

4.1 Provision for Post Retirement Benefits

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

	2009 R	2008 R
In-service (employee) members	14	17
Continuation members (e.g. Retirees, widows, orphans)	28	29
Total Members	42	46

The liability in respect of past service has been estimated to be as follows:

	2009 R	2008 R
In-service members	850,000	
Continuation members	7,303,091	
Total Liability	8,153,091	8,311,586

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas
Hosmed
LA Health
Key Health, and
SAMWU Medical Aid

The Current-service Cost for the ensuing year is estimated to be R78 020, whereas the Interest Cost for the next year is estimated to be R696 280.

Key actuarial assumptions used:	2009 %	2008 %
i) Rate of interest		
Discount rate	8.85	10.98
Health Care Cost Inflation Rate	7.27	10.00
Net Effective Discount Rate	1.47	0.89

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

The normal retirement age for employees of the municipality is 63 years.

	2009 R	2008 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	8,153,091	8,311,586
Fair value of plan assets	-	-
	8,153,091	8,311,586
Unrecognised past service cost		
Unrecognised actuarial gains/(losses)		
Present Value of unfunded obligations	8,153,091	8,311,586
Net liability/(asset)	16,306,182	16,623,172

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).

	2009 R	2008 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	8,311,586	7,567,061
Total expenses	426,659	174,610
Current service cost	82,549	63,681
Interest Cost	883,750	622,975
Benefits Paid	(539,640)	(512,046)
Actuarial (gains)/losses	(585,154)	569,915
Present value of fund obligation at the end of the year	8,153,091	8,311,586
	Increase	Decrease
Effect on the aggregate of the current service cost and interest cost components	1,100,500	856,200
Effect on the defined benefit obligation	9,116,000	7,349,000

4.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 55 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R80 909, whereas the Interest Cost for the next year is estimated to be R63 889.

Key actuarial assumptions used:

i) Rate of interest

	2009 %	2008 %
Discount rate	9.10	10.95
General Salary Inflation (long-term)	6.58	9.01
Net Effective Discount Rate applied to salary-related Long Service Bonuses	2.38	1.78

The amounts recognised in the Statement of Financial Position are as follows:

	2009 R	2008 R
Present value of fund obligations	726,060	652,186
Fair value of plan assets	-	-
	<u>726,060</u>	<u>652,186</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	<u>726,060</u>	<u>652,186</u>
Net liability/(asset)	<u>1,452,120</u>	<u>1,304,372</u>

Reconciliation of present value of fund obligation:

	2009 R	2008 R
Present value of fund obligation at the beginning of the year	652,186	544,567
Total expenses	95,661	74,034
Current service cost	82,335	68,590
Vested past service cost	-	-
Interest Cost	68,488	44,263
Benefits Paid	(55,162)	(38,819)
Actuarial (gains)/losses	(21,787)	33,585
Present value of fund obligation at the end of the year	<u>726,060</u>	<u>652,186</u>

	Increase	Decrease
Effect on the aggregate of the current service cost and interest cost components	160,447	142,144
Effect on the defined benefit obligation	776,000	681,000

4.3 Provision for Ex-Gratia Pension Benefits

The Ex-Gratia Benefits plans are defined benefit plans. As at year end, 9 employees were eligible for Ex-Gratia Benefits.

There is no Current-service Cost as there are no in-service members eligible for ex-gratia pension benefits, whereas the Interest Cost for the next year is estimated to be R2 043.

Key actuarial assumptions used:

i) Rate of interest

	2009 %	2008 %
Discount rate	8.54	10.99
Pension Increase Rate (CPI Inflation)	5.52	8.29

The amounts recognised in the Statement of Financial Position are as follows:

	2009 R	2008 R
Present value of fund obligations	-	-
Fair value of plan assets	-	-
	<u>-</u>	<u>-</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	<u>23,934</u>	<u>24,810</u>
Net liability/(asset)	<u>23,934</u>	<u>24,810</u>

	2009 R	2008 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	24,810	23,647
Total expenses	2,725	2,008
Current service cost	-	-
Vested past service cost	-	-
Interest Cost	2,725	2,008
Benefits Paid	-	-
Actuarial (gains)/losses	(3,601)	(845)
Present value of fund obligation at the end of the year	23,934	24,810
Effect on the aggregate of the current service cost and interest cost components	2,609	2,839
Effect on the defined benefit obligation	22,766	24,873

4.4 Provision for the rehabilitation of landfill-sites

	2009 R	2008 R
Balance 1 July	118,182	107,438
Charged/(credited) to the income statement	(118,182)	(107,438)
Additional provisions	11,818	10,744
Contribution to provision - Change in Accounting Policy	-	-
Reversal of provision overstated	-	-
Transfer to current portion	(130,000)	(118,182)
Balance 30 June	-	-

In terms of the licensing of the landfill refuse site, the municipality will incur rehabilitation costs of R130 000 to restore the sites at the end of their useful lives, estimated to be in 2015. Provision has been made for the net present value of this cost, using the average cost of borrowing interest rate

4.5 Retirement funds

CAPE JOINT PENSION FUND

This fund comprises a defined benefit section and a defined contribution section. The Cape Joint Pension Fund is a multi-employer plan and the contribution rate payable is 9%, by the members and 18% by Council. In respect of the defined benefit section the last valuation performed for the year ended 30 June 2008 (30 June 2007) revealed that the fund had an actuarial surplus of R182,733 (R200,209) million with a funding level of 106,5% (107,1%), and is in a sound financial state as at 30 June 2008.

CAPE JOINT RETIREMENT FUND

This fund comprises a defined benefit section and a defined contribution section. The contribution rate paid by the members (9,0%) and Council (18,0%) is sufficient to fund the benefits accruing from the fund in future. In respect of the defined benefit section the last valuation performed for the year ended 30 June 2008 (30 June 2007) revealed that the fund had an actuarial surplus of R12,033 (R 20,22) million with a funding level of 103,3% (105,3%) and is in a sound financial position as at 30 June 2008.

MUNICIPAL COUNCILLORS PENSION

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75%) and council (15%). The financial statements of the fund have not been audited since June 2006 and the financial position of the fund is not available.

	2009 R	2008 R
5 CONSUMER DEPOSITS		
Water	4,753	4,753
Electricity	11,039	10,869
Total Consumer Deposits	15,792	15,622

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

	2009 R	2008 R
Guarantees held in lieu of Water Deposits	-	-

6 PROVISIONS AND SHORT TERM EMPLOYEE BENEFITS

6.1 SHORT TERM EMPLOYEE BENEFITS

	2009 R	2008 R
Performance Bonuses	255,201	188,607
Staff Leave	0	0
Current Portion of Non-Current Provisions	629,938	594,802
Current Portion of Post Retirement Benefits - Note 4	580,728	539,640
Current Portion of Ex-Gratia Pension Provisions - Note 4	-	-
Current Portion of Long-Service Provisions - Note 4	49,210	55,162
Current Portion of Clearing of Alien Vegetation - Note 4	-	-
Total Provisions	885,139	783,409

6.2 PROVISIONS

	2009 R	2008 R
Current Portion of Rehabilitation of Landfill Sites - Note 4	130,000	118,182

The movement in current provisions are reconciled as follows:

	2009 R	2008 R
<i>Rehabilitation of Landfill Sites</i>		
Balance at beginning of year	118,182	107,438
Transfer from non-current	-	-
Contribution to provision	11,818	10,744
Expenditure incurred	-	-
Balance at end of year	130,000	118,182
<i>Post Retirement Benefits</i>		
Balance at beginning of year	539,640	539,640
Transfer from non-current	-	-
Contribution to provision	41,088	-
Expenditure incurred	-	-
Balance at end of year	580,728	539,640
<i>Ex-Gratia Pensions</i>		
Balance at beginning of year	-	-
Transfer from non-current	-	-
Contribution to provision	-	-
Expenditure incurred	-	-
Balance at end of year	-	-
<i>Long-service Awards</i>		
Balance at beginning of year	55,162	55,162
Transfer from non-current	-	-
Contribution to provision	-	-
Expenditure incurred	(5,952)	-
Balance at end of year	49,210	55,162
<i>Performance Bonuses</i>		
Balance at beginning of year	188,607	289,947
Transfer from non-current	-	-
Contribution to provision	66,594	45,423
Expenditure incurred	-	(146,763)
Balance at end of year	255,201	188,607
<i>TOTAL - CURRENT PROVISIONS</i>		
Balance at beginning of year	901,591	992,187
Transfer from non-current	-	-
Transfer to Trade Payables	-	-
Contribution to provision	119,500	56,167
Expenditure incurred	(5,952)	(146,763)
Balance at end of year	1,015,139	188,607

For more information regarding the provisions for Post Retirement Benefits and Long-term Service Awards - Refer to Note 5 to the Financial Statements, Other Defined Benefit Plan Information

7	TRADE AND OTHER PAYABLES	2009	2008
		R	R
	Trade Payables	2,490,196	1,813,622
	Less: Correction of Error - Note 41.1	-	-
	Balance at 30 JUNE 2009	2,490,196	1,813,622
	Payments received in advance	179,836	131,098
	Salary Control	803,244	768,238
	Staff Leave Liability	577,937	367,927
	Vat Projects	-0	-0
	Compensation Assurance	133,939	105,673
	Deposits - Other	10,874	10,024
	Total Trade Payables	4,196,026	3,196,582
		2009	2008
		R	R
	Staff Leave Reconciliation		
	Balance at beginning of year	367,927	442,997
	Transfer from Provision	(64,801)	(75,070)
	Contribution during the year	274,811	
	Balance at end of year	577,937	367,927
		2009	2008
		R	R
8	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS		
8.1	Conditional Grants from other spheres of Government		
	Unspent Grants	3,045,485	5,002,322
	National and Provincial Government Grants	3,045,485	5,002,322
	Correction of error - Note	-	-
	Restated balance 30 June 2007	3,045,485	5,002,322
	Less: Unpaid Grants	(4,928,727)	(4,329,655)
	National Government Grants	-321,663	-1,044,153
	Provincial Government Grants	-4,607,063	-2,978,046
	Other Sources	0	-307,456
	Total Conditional Grants and Receipts	(1,883,241)	672,667
See appendix "F" for reconciliation of grants from other spheres of government. The Unspent Grants are not cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.			
		2009	2008
		R	R
9	UNSPENT CONDITIONAL PUBLIC CONTRIBUTIONS AND RECEIPTS		
	Unspent augmentation fees from developers	-	-
		2009	2008
		R	R
10	TAXES		
	VAT Payable	387,268	658,483
	VAT Receivable	738,064	185,435
		(350,796)	473,048
		2009	2008
		R	R
11	SHORT-TERM LOANS		
	The Municipality has no short term loans.		
		2009	2008
		R	R
12	PROPERTY, PLANT AND EQUIPMENT		
	See attached sheet		
		2009	2008
		R	R
13	NON-CURRENT ASSETS HELD FOR SALE		
	Non-current assets held for sale at beginning of year - at book value	-	-
	Additions for the year	-	-
	Non-current assets sold/written off during the year	-	-
	Non-current assets held for sale at end of year - at book value	-	-

	2009 R	2008 R
14 INVESTMENT PROPERTY		
Net Carrying amount at 1 July	-	-
Cost	-	-
Accumulated Depreciation	-	-
Transfer to Property, Plant and Equipment - Note 12	-	-
Cost	-	-
Accumulated Depreciation	-	-
Acquisitions	-	-
Depreciation for the year	-	-
Net Carrying amount at 30 June	-	-
Cost	-	-
Accumulated Depreciation	-	-

None but if then the fair value of Investment Properties, as valued by the municipality's valuer, is estimated at:

Revenue to the amount of R XXX was earned from the Investment Properties, which is a return of XXX% on the fair value of the property.

	2009 R	2008 R
15 INTANGIBLE ASSETS		
Net Carrying amount at 1 July	37,946	39,187
Change in Accounting Policy - Transfer from Property, Plant and Equipment		
Cost	168,183	152,943
Accumulated Amortisation	(130,237)	(113,756)
Acquisitions	15,985	15,240
Amortisation	(20,669)	(16,481)
Disposals	-	-
Amortisation written back on disposal	-	-
Net Carrying amount at 30 June	33,262	37,946
Cost	184,168	168,183
Accumulated Amortisation	(150,906)	(130,237)

	2009 R	2008 R
16 INVESTMENTS		
Financial Instruments		
Unlisted		
Long term deposits	0	0
Total Investments	-	-

The average interest rate was xx% (2009: xx%).

No investments have been pledged as security for any funding facilities of the council.

Investments are made in terms of the municipality's Cash Management and Investment Policy, as required by means of Regulation R 308 of 1 April 2005 gazetted in the Government Gazette No 27431 of 1 April 2005 and issued by the Minister of Finance.

	2009 R	2008 R
17 LONG TERM RECEIVABLES		
Staff Car Loans - At amortised cost	-	-
Less: Unamortised Discount on Loans	-	-
Balance 1 July	-	-
Adjustment for the period	-	-
Change in Accounting Policy - Note 40.2	-	-
Less: Current portion transferred to current receivables	-	-
Staff Car Loans - At amortised cost	-	-
Less: Provision for Impairment of Long Term Receivables	-	-
Total Long Term Receivables	-	-
No Long term receivables	-	-

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INVENTORY

Consumable Stores - Stationery and materials - At cost
Maintenance Materials - At cost
Water - At purification cost
Spare Parts - At cost

Total Inventory

2009 R	2008 R
89,278	45,255
777,170	820,537
2,607	3,207
869,055	868,999

The municipality recognised only purification costs in respect of non-purchased purified water inventory.

The total inventories expensed during the year.

Inventory issued
Petrol, Diesel and Oil issued

2009 R	2008 R
799,461	533,215
2,851,398	2,258,754
3,650,859	2,791,969

Consumable stores materials written down due to losses as identified during the annual stores counts.

2009 R	2008 R
-	-

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TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS

Water
Electricity
Housing Rentals
Refuse
Sewerage
Other Arrears

Total: Trade receivables from exchange transactions (before provision)
Provision for Impairments

Total: Trade receivables from exchange transactions (after provision)

2009 R	2008 R
897,926	2,295,955
378,288	488,785
-	-
1,004,406	1,069,492
634,461	1,300,801
85,538	210,379
3,000,618	5,365,412
(2,570,498)	(4,828,378)
430,121	537,034

The fair value of other receivables approximate their carrying value.

(Electricity): Ageing

Current (0 - 30 days)
31 - 60 Days
61 - 90 Days
+ 90 Days

Total

2009 R	2008 R
54,144	41,422
37,443	26,887
13,239	10,664
273,462	409,812
378,288	488,785

(Water): Ageing

Current (0 - 30 days)
31 - 60 Days
61 - 90 Days
+ 90 Days

Total

2009 R	2008 R
5,090	35,646
724	31,131
344	45,263
891,767	2,183,915
897,926	2,295,955

(Housing): Ageing

Current (0 - 30 days)
31 - 60 Days
61 - 90 Days
+ 90 Days

Total

2009 R	2008 R
-	-
-	-
-	-
-	-
-	-

(Refuse): Ageing

Current (0 - 30 days)
31 - 60 Days
61 - 90 Days
+ 90 Days

Total

2009 R	2008 R
44,193	44,938
41,956	43,434
38,067	39,625
880,190	1,172,804
1,004,406	1,300,801

	2009 R	2008 R
(Sewerage): Ageing		
Current (0 - 30 days)	39,578	44,213
31 - 60 Days	34,218	43,284
61 - 90 Days	23,355	38,350
+ 90 Days	537,310	943,645
Total	634,461	1,069,492

	2009 R	2008 R
(Other): Ageing		
Current (0 - 30 days)	992	3,149
31 - 60 Days	1,020	2,648
61 - 90 Days	849	3,444
+ 90 Days	82,677	201,138
Total	85,538	210,379

	2009 R	2008 R
(Total): Ageing		
Current (0 - 30 days)	143,998	169,368
31 - 60 Days	115,360	147,384
61 - 90 Days	75,853	137,346
+ 90 Days	2,665,408	4,911,314
Total	3,000,618	5,365,412

Summary of Debtors by Customer Classification

	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 JUNE 2009			
Current (0 - 30 days)	116,889	12,287	14,821
31 - 60 Days	96,727	8,835	9,799
61 - 90 Days	69,348	5,289	1,216
+ 90 Days	2,642,034	(750)	24,123
Sub-total	2,924,998	25,661	49,960
Less: Provision for bad debts	(2,570,498)	-	-
Total debtors by customer classification	354,500	25,661	49,960

Summary of Debtors by Customer Classification

	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 JUNE 2008			
Current (0 - 30 days)	146,977	11,014	21,256
31 - 60 Days	129,029	4,349	15,768
61 - 90 Days	134,600	2,942	4,862
+ 90 Days	5,498,374	32,115	102,466
Sub-total	5,908,980	50,420	144,352
Less: Provision for bad debts	(4,828,378)	-	-
Total debtors by customer classification	1,080,602	50,420	144,352

	2009 R	2008 R
Reconciliation of Provision for Bad Debts		
Balance at beginning of year	5,201,766	5,994,929
Contribution to provision	580,888	621,258
Bad Debts (written off)	-2,940,913	(171,905)
Balance at end of year	2,841,742	5,201,766

	2009 R	2008 R
The total amount of this provision is R2 824 624 and consist of:		
Rates	271,244	373,388
Other Debtors	2,570,498	4,826,378
Total Provision for Bad Debts on Trade Receivables from exchange transactions	2,841,742	5,201,766

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

20		2009 R	2008 R
	OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
	Taxes - Rates	659,187	738,340
	Other Debtors	879,525	837,924
		1,538,712	1,576,264
	Less: Provision for bad debts	(271,244)	(373,388)
	Total Other Receivables from non-exchange transactions	1,267,468	1,202,876

The fair value of other receivables approximate their carrying value.

	2009 R	2008 R
(Rates): Ageing		
Current (0 - 30 days)	6,681	9,878
31 - 60 Days	5,700	1,762
61 - 90 Days	5,833	5,059
+ 90 Days	640,973	721,641
Total	659,187	738,340

Summary of Debtors (Rates) by Customer Classification

	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 JUNE 2009			
Current (0 - 30 days)	6,681	-	-
31 - 60 Days	5,700	-	-
61 - 90 Days	5,833	-	-
+ 90 Days	640,973	0	-
Sub-total	659,187	0	-
Less: Provision for bad debts	(271,244)	-	-
Total debtors by customer classification	387,943	0	-

Summary of Debtors (Rates) by Customer Classification

	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 JUNE 2008			
Current (0 - 30 days)	No information due to change in accounting policy		
31 - 60 Days			
61 - 90 Days			
+ 90 Days			
Sub-total	-	-	-
Less: Provision for bad debts	-	-	-
Total debtors by customer classification	-	-	-

Reconciliation of Provision for Bad Debts

Balance at beginning of year
Contribution to provision
Bad Debts (written off)
Balance at end of year

2009 R	2008 R
-	-
-	-
-	-
-	-

The total amount of this provision is R x xxx xxx and consist of:

Taxes
Other

Total Provision for Bad Debts on Trade Receivables from non-exchange transactions

2009 R	2008 R
-	-

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

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CASH AND CASH EQUIVALENTS

Assets

Call Investments Deposits - FirstRand Bank Limited - 100455-DC07A00030
Primary Bank Account
Cash Floats

2009 R	2008 R
43,091	39,039
0	418,727
6,630	6,630
49,721	464,396

Total Cash and Cash Equivalents - Assets

Liabilities

Primary Bank Account

2009 R	2008 R
-2,806,149	464,396
(2,806,149)	464,396

Total Cash and Cash Equivalents - Liabilities

Call Investments Deposits to an amount of R43 091 are held to fund the Unspent Conditional Grants (2008: R39 039). FirstRand Bank Limited - 100455-DC07A00030

The municipality has the following bank accounts:

Current Accounts

ABSA Bank - Beaufort West Branch - Account Number 1540 0000 14 (Cheque Account) and
First National Bank - Beaufort West Branch - Account Number 6206 2151 429 (Cheque Account)

2009 R	2008 R
(2,799,519)	425,357
(2,799,519)	425,357

First National Bank - Beaufort West Branch - Account Number 6206 2151 429 (Cheque

Cash book balance at beginning of year
Cash book balance at end of year

2009 R	2008 R
425,357	(637,066)
6,630	425,357

Bank statement balance at beginning of year - First National Bank
Bank statement balance at beginning of year - ABSA

2009 R	2008 R
620,228	1,335,032
49,932	7,074
670,160	1,342,106

Bank statement balance at end of year - First National Bank
Bank statement balance at end of year - ABSA

2009 R	2008 R
(2,696,727)	620,228
96,073	49,932
(2,600,654)	670,160

PROPERTY RATES

Actual**Rateable Land and Buildings**

Residential Property
Commercial Property
Industrial Property
Public Benefits Organisations
Agricultural Purposes
State - National / Provincial Services
Municipal Property
Exceedings

Less: Rebates**Total Assessment Rates**

2009
R

2008
R

	1,312,339	1,255,751
	797,777	751,025
	-	-
	-	-
	-	-
	347,223	347,223
	115,883	109,066
	51,323	48,304
	133	133
	(608,878)	(573,305)
	703,461	682,446

2009
R

2008
R

Valuations - 1 JULY 2008**Rateable Land and Buildings**

Residential Property
Commercial Property
Industrial Property
Public Benefits Organisations
Agricultural Purposes
State - National / Provincial Services
Municipal Property
Vacant Property

Less: Income Forgone**Total Assessment Rates**

	134,112,299	134,112,299
	23,469,040	23,469,040
	-	-
	-	-
	-	-
	104,873,359	104,873,359
	4,260,400	4,260,400
	1,509,500	1,509,500
	-	-
	134,112,299	134,112,299

Valuations on 1 JULY 2008: IN ANY FORMAT YOU CAN GIVE

	Building Clause Valuation	Site Valuation	Building Valuation	Total Valuation
Domestic		24,978,540		
Accommodation		-		
Commercial		-		
Church		-		
Light Industrial		-		
Agricultural/Rural		104,873,359		
State		4,260,400		
Other - Pensioners etc.		-		
Sporting Bodies		-		
Total Property Valuations	-	134,112,299	-	-

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2003. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

A rate in the rand for domestic properties of R 0.034 was charged on site values and a rate in the rand of R 0.034 for improvements. Business were charged at a rate in the rand of R 0.034 on site values and a rate in the rand of R 0.034 for improvements.

Properties used for domestic purposes and consisting of both land and improvements are subject to a R 15 000 valuation reduction. There are also different rebates and phased in tariffs for different sectors of the community. Interest on arrear accounts is charged at bank rate plus one.

Rates are levied monthly and payable by the 7th of the following month. Interest is levied at the prime rate plus 0% on outstanding monthly instalments.

23	GOVERNMENT GRANTS AND SUBSIDIES	2009	2008
		R	R
	Equitable Share	11,049,335	9,154,593
	Finance Management Grant	758,520	260,002
	Municipal Systems Improvement Grant	735,000	1,325,718
	Municipal Infrastructure Grant	4,539,641	3,783,672
	Tourism ITDF	12,080	
	Tourism Plan	54,604	
	Tourism Baseline Study	160,131	
	Department Transport	16,000	8,000
	Department Social Services	1,360,201	
	Department Health Global Fund	311,666	1,223,880
	Department Health PHC	60,007	419,061
	Department of the Premier	-	5,866
	Department Transport Mobility / Non-Motorised	-	163,708
	DBSA	1,515,868	
	ISRDP	149,567	15,000
	Department local Government and Housing	1,409,954	593,783
	Work for Water Project: DWAF	4,332,181	2,913,484
	DWAF Masibambane Project	381,587	
	Total Government Grants and Subsidies	26,846,322	19,866,767
	The municipality does not expect any significant changes to the level of grants. Appendix F		
24	PUBLIC CONTRIBUTIONS AND DONATIONS	2009	2008
		R	R
	Development Bank of South Africa	-	-
		-	-
25	CONTRIBUTED PROPERTY, PLANT AND EQUIPMENT	2009	2008
		R	R
		-	-
		-	-
26	CHANGES IN FAIR VALUE	2009	2008
		R	R
26.1	Transactions that gives an increase in surplus		
	Fair value changes in Investment Properties	-	-
	Unamortised discount - Interest	-	-
	Total changes in fair value	-	-
26.2	Transactions that gives an decrease in surplus	2009	2008
		R	R
	Unamortised discount - Interest	-	-
	Fair value changes in Investment Properties	-	-
	Total changes in fair value	-	-
27	OTHER REVENUE FROM NON-EXCHANGE TRANSACTIONS	2009	2008
		R	R
		-	-
		-	-

		2009	2008
		R	R
28	SERVICE CHARGES		
	Electricity	1,029,692	1,098,055
	Service Charges	1,247,503	1,098,055
	Less: Rebates	-217,811	-
	Water	245,043	732,363
	Service Charges	567,346	732,363
	Less: Rebates	-322,302	-
	Refuse, Sewerage and Sanitation Charges	795,456	952,352
	Service Charges	996,018	952,352
	Less: Rebates	-200,562	-
	Other Service Charges - Swimming Bath	4,354	4,314
	Total Service Charges	2,074,545	2,787,084
		2009	2008
		R	R
29	WATER SERVICES AUTHORITY CONTRIBUTION		
	None	-	-
		2009	2008
		R	R
30	OTHER INCOME		
	Building Plan & Inspection F	612	430
	Sundry Income:	37,356	5,463
	VAT Projects	117,749	-
	Photostat and Faxes	2,502	4,049
	Handling fees	1,352	46,850
	Cemetery Fees:	385	530
	Commission	13,450	11,300
	House Rent	11,918	11,198
	Milk Sales	458,512	382,017
	Private Work	258,829	201,958
	Legal Fees	445	1,712
	Transportation	-23,351	961
	Books	566	512
	Lost Books	114	84
	Insurance Claims	22,546	-
	Valuation Certificates	154	783
	Retirement Benefits	457,091	-
	Total Other Income	1,360,230	667,847
		2009	2008
		R	R
31	UNAMORTISED DISCOUNT - INTEREST		
		-	-

EMPLOYEE RELATED COSTS

	2009 R	2008 R
Employee Related Costs - Salaries and Wages	6,132,258	7,974,048
Employee Related Costs - Contributions for UIF, Pensions and Medical Aids	1,570,485	1,888,863
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	743,914	793,423
Housing Benefits and Allowances	87,569	98,152
Overtime Payments	246,298	81,294
Bonuses	600,823	146,710
Leave Payments	5,351	11,160
Long Service Awards	45,423	17,002
Contribution to provision - Ex-gratia pensions - Note 6	0	2,008
Contribution to provision - Long Service Awards - Note 6	0	29,771
Contribution to provision - Post Retirement Medical - Note 6	0	(448,365)
	<u>9,432,119</u>	<u>10,594,066</u>
Less: Employee Costs allocated elsewhere		
Total Employee Related Costs	<u>9,432,119</u>	<u>10,594,066</u>

KEY MANAGEMENT PERSONNEL

Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.

REMUNERATION OF KEY MANAGEMENT PERSONNEL***Remuneration of the Municipal Manager***

	2009 R	2008 R
Annual Remuneration	733,208	687,554
Traveling Allowance	187,477	-
Subsistence Allowance	48,488	-
Performance Bonus	40,892	-
Contributions to UIF, Medical and Pension Funds	-	-
Total	<u>1,010,065</u>	<u>687,554</u>

Remuneration of the Chief Finance Officer

	2009 R	2008 R
Annual Remuneration	586,568	550,045
Traveling Allowance	112,475	82,321
Subsistence Allowance	33,099	20,360
Performance Bonus	49,858	44,516
Contributions to UIF, Medical and Pension Funds	-	-
Total	<u>782,000</u>	<u>697,242</u>

Remuneration of Director : Technical Services

	2009 R	2008 R
Annual Remuneration	586,568	550,045
Traveling Allowance	121,578	68,698
Subsistence Allowance	7,800	4,290
Performance Bonus	49,858	45,201
Contributions - UIF, Medical, Pension	-	-
Total	<u>765,804</u>	<u>668,234</u>

Remuneration of Director : Corporate and Support Services

	2009 R	2008 R
Annual Remuneration	623,229	584,423
Traveling Allowance	44,599	32,505
Subsistence Allowance	11,623	5,810
Performance Bonus	52,974	47,298
Contributions - UIF, Medical, Pension	-	-
Total	<u>732,425</u>	<u>670,036</u>

33	REMUNERATION OF COUNCILLORS	2009 R	2008 R
	Mayor	393,789	364,172
	Executive Committee Members	1,249,473	1,119,696
	Councillors	904,800	811,152
	Councillors' pension and medical aid contributions	0	-
	Total Councillors' Remuneration	2,548,062	2,295,020
	In-kind Benefits		
	The Executive Mayor, Executive Deputy Mayor, Speaker and Executive Committee Members are full-time Councillors. Each is provided with an office and shared secretarial support at the cost of the Municipality. The Executive Mayor may utilise official Council transportation when engaged in official duties.		
	Certification by the Municipal Manager		
	I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.		
		
	Signed: Municipal Manager		
34	CONTRIBUTIONS TO BAD DEBTS PROVISION	2009 R	2008 R
	Trade Receivables from exchange transactions - Note 19	580,888	621,258
	Long-term Receivables - Note 17	-	-
	Other Receivables from non-exchange transactions - Note 20	-	-
	Total Contribution to Bad Debts Provision	580,888	621,258
35	IMPAIRMENTS	2009 R	2008 R
36	FINANCE CHARGES	2009 R	2008 R
	Employee Benefits		667,238
	Long-term Liabilities	-	-
	Finance Leases	986,074	53,132
	Total finance charges	986,074	720,370
37	BULK PURCHASES	2009 R	2008 R
	Electricity	931,624	708,348
	Water	-	-
	Total Bulk Purchases	931,624	708,348
38	GRANTS AND SUBSIDIES PAID	2009 R	2008 R
	Grants-in-aid and Donations	0	2,915,257
	Institutions	-	-
	Total Grants and Subsidies	-	2,915,257

GENERAL EXPENSES

	2009 R	2008 R
Advertisements	122,929	90,815
Anchor Projects	73,534	63,070
Finance Charges	191,133	148,761
Graveyard	16,057	2,116
Fire Extinguishers	0	5,336
Fuel and Oil	174,729	150,816
Study Fund	134,366	111,022
Community Development Workers	98,492	52,880
Sundry Expenditure	146,637	6,933
Printing and Stationery	150,914	149,508
DWAF	381,587	21,920
Primary Health Care	7,450	302,850
Nutrition Scheme	47,305	38,665
Rates	93,515	111,753
Electricity	76,874	76,156
Electricity, Water and Sanitation	0	-
Global Fund	291,453	1,223,880
Household Expenses	43,212	47,244
Pre-Paid Meters	18,905	20,310
ISRDP	38,976	333,810
Membership Fees	70,519	62,053
Licences	6,090	14,268
Vehicle Registration	207,877	188,780
Milk Powder	367,796	360,673
Samples: Milk, Water and Food	26,861	15,168
Gallery	3,000	3,000
Entertainment	6,748	14,555
Entertainment: Mayor	39,405	30,123
Training	51,061	84,144
Audit fees	814,141	554,069
Training Fund	217,234	158,843
Public Functions	48,193	48,960
Legal Fees	41,712	487,695
Cleaning Materials	20,524	53,510
Travell and Subsistence	1,134,742	974,344
Travell and Subsistence: Council	239,424	264,999
Registration and Congress Fees	20,361	9,635
Computer Expenses	81,558	84,608
Regional Study Fund	10,930	-
Telephone and Postage	258,590	366,474
Deed of Transfer	2,957	66
Insurance General	197,611	166,871
Leave Fund	274,811	40,468
Valuations	1,515,864	-
Work for Water Project	3,698,286	2,468,097
IDP Economic	117,738	38,663
IDP Financial Services	360,894	-
Implement Projects	130,349	346,354
IDP Finance Management Grant Interns	305,265	260,002
Inventory Items	25,465	-
Roads Agency Services	21,691,204	19,415,226
Sundry Projects	76,826	-
Long Service Fund	27,173	-
General Expenses	<u>34,526,331</u>	<u>29,471,493</u>

General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees, auditing fees and consulting fees.

CHANGE IN ACCOUNTING POLICY IN TERMS OF GRAP 3 - IMPLEMENTATION OF GRAP

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:

40.1

Funds

	2009 R	2008 R
Government grant as previously stated	-	18,963,291
Capitalisation Reserve previously stated	-	86,764
Capital grants utilised in 2008 to purchase PPE added back	-	(1,958,887)
Depreciation for 2008 added back	-	2,118,133
Transfer to accumulated surplus - Note 40.4	-	(19,209,301)
Total	<u>-</u>	<u>-</u>

	2009 R	2008 R
40.2 Employee benefits		
Post Employment Benefits - 1 July 2007	-	7,567,064
Long Service - 1 July 2007	-	544,567
Ex Gratia Payments - 1 July 2007	-	23,647
Non Current Provisions not previously recognised	-	8,135,278
Contribution to Provision - Ex Gratia Payments (2008) - Note 32	-	2,008
Contribution to Provision - Long Service Awards (2008) - Note 32	-	29,771
Contribution to Provision - Post Employment Benefits (2008) - Note 32	-	(448,365)
Actuarial Losses (2008)	-	802,655
Finance Charges (2008) - Note 36	-	667,238
Total	-	8,988,585
	2009 R	2008 R
40.3 Accumulated Depreciation - GRAP 17		
Balance as previously stated	-	18,838,013
Unbundling of asset - opening balance at 1 July 2007	-	(5,675,191)
Unbundling of assets - depreciation for 2008 restated	-	(1,002,083)
	-	12,160,739
Prior period error - Note 41.1	-	49,333
	-	12,210,072
	2009 R	2008 R
40.4 Accumulated Surplus/(Deficit)		
Implementation of GRAP		
Transfer from Funds - Note 40.1	-	19,209,302
Non-Current Provisions not previously recognised Note 42.2	-	(8,135,278)
Backlog Depreciation	-	(35,617)
Capitalised assets under 5000	-	82,251
	-	11,120,658
Unbundling of Assets - Note 40.3	-	5,675,191
Total	-	16,795,849

	2009 R	2008 R
41 CORRECTION OF ERROR IN TERMS OF GRAP 3		
41.1 Long-Term Liabilities		
Balance previously reported	-	175,513
Leases previously not recognised - Note 4	-	80,000
Vat not recognised previously	-	7,716
Transfer to Accumulated Surplus/(Deficit) - Note 41.8	-	(68,005)
	<u>-</u>	<u>195,224</u>
41.2 Bank Balance and Cash		
Balance previously reported	-	425,357
Transfer to Cash and Cash Equivalents as per Accounting Policy - Note 34.4	0	(425,357)
<i>Restated amount for Bank balances and Cash</i>	<u>-</u>	<u>-</u>
41.3 Call Investment Deposits		
Balance previously reported	-	39,039
Transfer to Cash and Cash Equivalents as per Accounting Policy - Note 34.4	-	(39,039)
<i>Restated amount for Call Investments Deposits</i>	<u>-</u>	<u>-</u>
41.4 Cash and Cash Equivalents		
Transfer from Short-term investment deposits - Note 43.2	-	425,357
Transfer from Bank balances and cash - Note 43.3	-	39,039
<i>Restated amount for Cash and Cash Equivalents - Note 21</i>	<u>-</u>	<u>464,396</u>
41.5 Property Rates		
Balance previously reported	-	1,255,751
Transfer from Grants and Subsidies Paid as per Accounting Policy - Note 34.6	0	(573,305)
<i>Restated amount for Property Rates - Note 22</i>	<u>-</u>	<u>682,446</u>
41.6 Grants and Subsidies Paid		
Balance previously reported	-	3,488,562
Transfer to Property Rates as per Accounting Policy - Note 34.5	-	(573,305)
<i>Restated amount for Grants and Subsidies Paid - Note 38</i>	<u>-</u>	<u>2,915,257</u>
41.7 Property, Plant and Equipment		
Balance previously stated	-	40,475,806
Leases previously not recognised	-	80,000
	<u>-</u>	<u>40,555,806</u>
41.8 Accumulated Surplus/(Deficit)		
Transfer from long term liabilities - Note 41.1	-	68,005
Provision on Landfill Site previously not recognised - Note 41.9	-	(118,182)
	<u>-</u>	<u>(50,177)</u>
41.9 Provisions		
Balance previously stated	-	-
Provision for Landfill Site previously not recognised - Note 6.2	-	118,192
	<u>-</u>	<u>118,192</u>

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**RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH
GENERATED/(ABSORBED) BY OPERATIONS**

Surplus/(Deficit) for the year	4,843,073	(3,651,485)
Adjustments for:		
Depreciation and amortisation	1,614,266	2,373,269
Amortisation of Intangible Assets		
(Gain)/Loss on disposal of property, plant and equipment	14,798	-
Impairments	-	-
Contribution from/to provisions - Non-Current	1,131,665	-
Contribution from/to provisions - Non-Current - Expenditure incurred	(594,802)	-
Contribution from/to provisions - Non-Current - Actuarial losses	-	-
Contribution from/to provisions - Non-Current - Actuarial gains	(610,542)	-
Contribution from/to provisions - Non-Current transfer to Current Provision	(46,954)	-
Contribution to provisions – current	119,500	56,167
Contribution to provisions – current - Expenditure incurred	(5,952)	(146,763)
Contribution to provisions – Bad debt	580,888	-
Unamortised discount - Interest - Revenue	-	-
Unamortised discount - Interest - Expenditure	-	-
Bad debts written off	(2,940,913)	-
Operating lease income accrued	-	-
Operating lease expenses accrued	-	-
Investment income	(178,528)	(539,863)
Interest paid	986,074	53,132
Operating Surplus/(Deficit) before changes in working capital	4,912,573	(1,855,543)
Changes in working capital	21,982	2,487,558
Increase/(Decrease) in Trade and Other Payables	999,444	1,186,454
Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(1,956,837)	268,833
Increase/(Decrease) in Unspent Conditional Public Contributions and Receipts	-	-
Increase/(Decrease) in Taxes	(823,844)	(3,705)
Increase/(Decrease) in Short-term Loans	-	-
Increase/(Decrease) in Operating Lease Liability	-	-
(Increase)/Decrease in Inventory	(55)	(259,334)
(Increase)/Decrease in Trade Receivables from exchange transactions	2,364,794	(568,441)
(Increase)/Decrease in Other Receivables from non-exchange transactions	37,552	240,538
(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	(599,072)	1,623,413
(Increase)/Decrease in Operating Lease Asset	-	-
Cash generated/(absorbed) by operations	4,934,554	632,015

2009	2008
R	R

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CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

Call Investments Deposits - Note 21	43,091	39,039
Cash Floats - Note 21	6,630	6,630
Bank overdraft - Note 21	(2,806,149)	418,727
Bank overdraft - Note 21	<u>(2,756,428)</u>	<u>464,396</u>
Total cash and cash equivalents	(2,756,428)	464,396

Central Karoo District Municipality have a over draft facility to the amount of R3 000 000 at FNB
Account Number 6206 2151 429 - Cheque Account Beaufort West Branch

2009	2008
R	R

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UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term Liabilities - Note 3	130,615	195,224
Used to finance property, plant and equipment - at cost	<u>(130,615)</u>	<u>(195,224)</u>
	-	-
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	-	-

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act

45	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED	2009	2008
		R	R
45.1	Unauthorised expenditure		
	Reconciliation of unauthorised expenditure:		
	Opening balance	-	-
	Unauthorised expenditure current year	1,352,398	-
	Approved by Council or condoned	(1,076,821)	-
	Transfer to receivables for recovery	-	-
	Unauthorised expenditure awaiting authorisation	<u>275,577</u>	<u>-</u>
	Incident	Disciplinary steps/criminal proceedings	
	Over expenditure of approved budget	Mayoral Committee investigate and condoned the expenditure. MFMA Art.32	
45.2	Fruitless and wasteful expenditure	2009	2008
		R	R
	Reconciliation of fruitless and wasteful expenditure:		
	Opening balance	363,799	363,799
	Fruitless and wasteful expenditure current year	-	-
	Condoned or written off by Council	(323,799)	-
	Transfer to receivables for recovery - not condoned	(40,000)	-
	Fruitless and wasteful expenditure awaiting condonement	<u>-</u>	<u>363,799</u>
	Incident	Disciplinary steps/criminal proceedings	
	None	None	
45.3	Irregular expenditure	2009	2008
		R	R
	Reconciliation of irregular expenditure:		
	Opening balance	-	-
	Irregular expenditure current year	4,318,777	-
	Condoned or written off by Council	-	-
	Transfer to receivables for recovery - not condoned	-	-
	Irregular expenditure awaiting condonement	<u>4,318,777</u>	<u>-</u>
	Incident	Disciplinary steps/criminal proceedings	
	Non-Compliance with Supply Chain Management Policy - Note 46.6	None	
46	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT	2009	2008
		R	R
46.1	Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS		
	Opening balance	-	-
	Council subscriptions	54,484	51,981
	Amount paid - current year	(54,484)	(51,981)
	Amount paid - previous years	-	-
	Balance unpaid (Included in creditors)	<u>-</u>	<u>-</u>
46.2	Audit fees - [MFMA 125 (1)(b)]	2009	2008
		R	R
	Opening balance	-	-
	Current year audit fee	814,141	554,069
	External Audit - Auditor-General	814,141	554,069
	Internal Audit	-	-
	Audit Committee	-	-
	Amount paid - current year	(814,141)	(554,069)
	Amount paid - previous year	-	-
	Balance unpaid (Included in creditors)	<u>-</u>	<u>-</u>

	2009 R	2008 R
46.3 PAYE and UIF - [MFMA 125 (1)(b)]		
Opening balance	197,405	366,906
Current year payroll deductions	2,508,840	2,790,312
Amount paid - current year	(2,520,445)	(2,959,813)
Balance unpaid (included in creditors)	185,800	197,405

	2009 R	2008 R
46.4 Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]		
Opening balance	233,236	317
Current year payroll deductions and Council Contributions	5,103,527	2,893,546
Amount paid - current year	(4,932,385)	(2,660,627)
Amount paid - previous year		
Balance unpaid (included in creditors)	404,378	233,236

46.5 Councillor's arrear consumer accounts - [MFMA 125 (1)(b)]

The following Councillors had arrear accounts for more than 90 days as at 30 JUNE 2009:

	Outstanding more than 90 days
<i>Alderman D Hugo</i>	-
<i>Councillor F MacPherson</i>	-
Total Councillors Arrear Consumer Accounts	-

The following Councillors had arrear accounts outstanding for more than 90 days during the year:

	Highest amount outstanding	Ageing
NAME	-	> 150 days
	-	> 120 days
	-	> 90 days

46.6 Non-compliance with Chapter 14 of the Municipal Finance Management Act

Non-compliance to the Supply Chain Management Regulations were identified on the following categories:

	Less than R30,000	Between R30,001 and R200,000	Between R200,001 and R2,000,000	More than R2,000,001
Sole Suppliers	191,011	1,213,277	-	-
Agents	195,718	2,161,063	-	-
Other - Verbal Quotations	557,708	-	-	-
Executive & Council	-	-	-	-
Corporate Services	-	-	-	-
Community Services	-	-	-	-
Financial Services	-	-	-	-
Technical Services	-	-	-	-
Electrical Services	-	-	-	-
Town Planning	-	-	-	-
Strategic Services	-	-	-	-
Irregular Expenditure Note 45.3	944,437	3,374,340	-	-

46.7 Creditors not paid within 30 Days

Payments were held back due to cash flow problems. Department of Transport owed the Municipality R3.4 million and did not pay the subsidy within 30 days. Refer note 7.

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CAPITAL COMMITMENTS**Commitments in respect of capital expenditure:****Approved and contracted for:**

Infrastructure
Community
Other

2009
R

2008
R

2,774,060

4,718,000

-	4,718,000
2,774,060	

Approved but not yet contracted for

Infrastructure
Community
Other

-	-
-	-
-	-

Total

2,774,060

4,718,000

This expenditure will be financed from:

External Loans
Capital Replacement Reserve
Government Grants
Own Resources
District Council Grants

2009
R

2008
R

-

-

-

-

2,774,000

4,718,000

-

-

-

-

2,774,000

4,718,000

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RETIREMENT BENEFIT INFORMATION

Council employees contribute to the Cape Joint Municipal Pension Fund and SAMWU National Provident Fund which is a defined contribution fund. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs. Full actuarial valuations are performed at least every five years. The last valuation was done on 31 March 2005.

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FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Interest Rate Risk

The Municipality is exposed to interest rate risk due to the movements in long-term and short term interest rates.

This risk is managed on an ongoing basis.

(c) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly from cash and cash equivalents, instruments and deposits with banks and financial institutions, as well as credit exposures to consumer and grant debtors.

For banks and financial institutions, only independently rated parties with a minimum rating of 'B+' are accepted. Grants are receivable from higher order levels of government. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. This increases the credit risk in respect of consumer debtors. The risk of non-payment is managed on an ongoing basis and where practical, services are terminated and procedures applied to recover outstanding amounts owing and an appropriate level of impairment provision for default is maintained.

2009
R

2008
R

(d) Liquidity Risk

Liquidity risk is the risk that the municipality will encounter difficulty in raising funds to meet commitments associated with financial liabilities.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities.

The financial liabilities of the municipality are backed by appropriate assets and it has adequate liquid resources. The Council monitors the cash projections and by ensuring that borrowing facilities are available to meet its cash requirements.

(e) Other Risks

Potential concentrations of credit risk and interest rate risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the CFO and authorised by the Municipal Council.

Consumer debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of an allowance for doubtful debt.

In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

	2009 R	2008 R
The maximum credit and interest risk exposures in respect of the relevant financial instruments are as follows:		
Investments	-	-
Long Term Receivables	-	-
Trade receivables from exchange transactions	3,000,618	5,365,412
Other receivables from non-exchange transactions	1,538,712	1,576,264
Other Debtors	5,666,791	4,515,089
Current Portion of Long-term Receivables	-	-
Short-term Investment Deposits	43,091	39,039
Bank and Cash Balances	6,630	425,357
Maximum Credit and Interest Risk Exposures	10,255,842	11,921,162
	2009 R	2008 R

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FINANCIAL INSTRUMENTS

In accordance with IAS 39.09 the financial assets of the municipality are classified as follows:

50.1	Financial Assets	Classification		
	Investments			
	Fixed Deposits	Held to maturity	-	-
	Long-term Receivables			
	Staff Loans	Loans and Receivables	-	-
	Consumer Debtors			
	Trade receivables from exchange transactions	Loans and Receivables	3,000,618	5,365,412
	Other receivables from non-exchange transactions	Loans and Receivables	1,538,712	1,576,264
	Other Debtors			
	Payments made in Advance	Loans and Receivables	-	-
	VAT	Loans and Receivables	738,064	185,435
	Government Subsidies and Grants	Loans and Receivables	4,928,727	4,329,655
	Current Portion of Long-term Receivables			
	Staff Loans	Loans and Receivables	-	-

Short-term Investment Deposits			
Call Deposits	Held to maturity	43,091	39,039
Bank Balances and Cash			
Bank Balances	Held to maturity	-	418,727
Cash Floats and Advances	Held to maturity	6,630	6,630

2009
R

2008
R

SUMMARY OF FINANCIAL ASSETS

Held to maturity:

Investments	Fixed Deposits	-	-
Short-term Investment Deposits	Call Deposits	43,091	39,039
Bank Balances		-	418,727
Cash Floats and Advances		6,630	6,630
		49,721	484,396

Loans and Receivables

Long-term Receivables	Staff Loans	-	-
Consumer Debtors	Exchange transactions	3,000,618	5,365,412
Consumer Debtors	Non-exchange transactions	1,538,712	1,576,264
Other Debtors	Payments made in advance	-	-
Other Debtors	Government Subsidies and Grants	4,928,727	4,329,655
Current Portion of Long-term Receivables	Staff Loans	-	-
VAT	VAT	738,064	185,435
		10,206,121	11,456,766

Total Financial Assets

10,255,842 **11,821,162**

50.2 Financial Liability

Classification

Long-term Liabilities

Annuity Loans	At amortised cost	-	-
Capitalised Lease Liability	Not valued at Fair Value through Profit or Loss	130,615	195,224

Consumer Deposits

Electricity and Water	At amortised cost	15,792	15,622
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Trade Payables

Trade creditors	At amortised cost	3,607,215	2,818,631
Deposits	At amortised cost	10,874	10,024

VAT Payable

VAT Control Accounts	Not valued at Fair Value through Profit or Loss	387,268	658,483
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Short-term Loans

Call Bonds	Not valued at Fair Value through Profit or Loss	-	-
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Current Portion of Long-term Liabilities

Annuity Loans	At amortised cost	-	-
Capitalised Lease Liability	At amortised cost	90,754	49,776

4,242,519 **3,747,760**

SUMMARY OF FINANCIAL LIABILITY

2009
R

2008
R

At amortised cost:

Long-term Liabilities	Annuity Loans	-	-
Consumer Deposits	Electricity and Water	15,792	15,622
Trade Payables	Trade creditors	3,607,215	2,818,631
Trade Payables	Deposits	10,874	10,024
Current Portion of Long-term Liabilities	Annuity Loans	-	-
Current Portion of Long-term Liabilities	Capitalised Lease Liability	90,754	49,776
		3,724,835	2,894,053

Not valued at Fair Value through Profit or Loss:

Long-term Liabilities	Capitalised Lease Liability	130,615	195,224
VAT Payable	VAT Control Accounts	387,268	658,483
Short-term Loans	Call Bonds	-	-
		517,883	853,706

Total Financial Liability

4,242,519 **3,747,760**

51	EVENTS AFTER THE REPORTING DATE	2009	2008
		R	R
	The Municipality is not aware of any events after the reporting date.	-	233,000
52	IN-KIND DONATIONS AND ASSISTANCE	2009	2008
		R	R
	The municipality received the following in-kind donations and assistance:		
	Organisation	Contribution towards:	
	NONE	-	-
		<hr/>	<hr/>
		<hr/>	<hr/>
53	PRIVATE PUBLIC PARTNERSHIPS	2009	2008
		R	R
	Council has not entered into any private public partnerships during the financial year.	-	-
54	COMPARISON WITH THE BUDGET	2009	2008
		R	R
	The comparison of the municipality's actual financial performance with that budgeted, is set out in Annexures "E (1) and E (2)".		
55	CONTINGENT LIABILITY	2009	2008
		R	R
	Claims against Council	-	-
		<hr/>	<hr/>
	The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:		
	<i>Description of event</i>	-	-
		<hr/>	<hr/>
		<hr/>	<hr/>

			2009 R	2008 R
56	RELATED PARTIES			
	Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.			
56.1	Related Party Transactions			
		Rates	Service Charges	Other
				Outstanding Balances
	Year ended 30 JUNE 2009			
	Councillors			
	Municipal Manager and Section 57 Employees			
	Year ended 30 JUNE 2009			
	Councillors			
	Municipal Manager and Section 57 Employees			
	The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.			
56.2	Related Party Loans			
	Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 17 to the Annual Financial Statements.			
56.3	Compensation of key management personnel			
	The compensation of key management personnel is set out in note 32 to the Annual Financial Statements.			
56.4	Other related party transactions			
	The following entity exist during the year where Councillors or staff have an interest:			
	<u>Councillor/Staff Member</u>	<u>Entity</u>		
	T Prince (Mayor)	Hydrophonics Section 21 Company		
	R Lottering (Councillor)	Hydrophonics Section 21 Company		
	S Jooste (Municipal Manager)	Hydrophonics Section 21 Company		
	Exemptions taken according to those gazetted in Government Notice No. 30013 of 29 June 2007 and Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities.			
57				
57.1	GRAP 19 -Provisions, Contingent Liabilities and Contingent Assets			
	The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise the following provisions, contingent liabilities or contingent assets relating to Property, Plant and Equipment:			
	Refuse tip-sites financed by way of a provision;			
	The municipality is currently in a process of identifying all provisions which must be measured in terms of GRAP 19 and it is expected that this process will be completed for inclusion in the 2010 financial statements.			
	Since the previous reporting date the following provisions were measured in accordance with GRAP 19 and restated retrospectively:			
	Refuse tip-sites financed by way of a provision;			
	Post retirement benefits			
	Long service awards			
	Ex-gratia pensions			
57.2	GRAP 100 -Non-current assets and discontinued operations			
	The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise non-current assets held for sale and discontinued operations relating to Inventories, Investment Properties, Property, Plant and Equipment, Agriculture and Intangible Assets which are not recognised in terms of the transitional provisions relating to those standards:			
57.3	GRAP 16 - Investment Properties			
	The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise all the Investment Properties:			
	The municipality is currently in a process of valuing all Investment Properties in terms of GRAP 16 and it is expected that this process will be completed for inclusion in the 2010 financial statements.			
57.4	GRAP 102 - Intangible Assets			
	The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise or measure all the Intangible Assets in accordance with the standard, including the following:			
	Computer Software;			
	Intangible assets financed by way of finance leases;			
	Intangible assets transferred as a result of the transfer of functions; and			
	Servitudes.			
	The municipality is currently in a process of identifying all Intangible Assets and have it valued in terms of GRAP 102 and it is expected that this process will be completed for inclusion in the 2010 financial statements. It is possible that certain intangible assets are currently being recognised as Property, Plant and Equipment.			

57.5 GRAP 12 - Inventories

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise the following inventories:

Unpurified Water;
Land held for sale
Other (list).

The municipality is currently in a process of identifying all inventory which must be measured in terms of GRAP 12 and it is expected that this process will be completed for inclusion in the 2010 financial statements.

58 Process to comply fully with the implementation of General Recognised Accounting Practices (GRAP)

The municipality adopted a phased-in approach in order to comply fully with the implementation of GRAP. The municipality is classified by the National Treasury as a medium capacity municipality and must comply with GRAP by 30 June 2009. The municipality, however, took advantage of transitional provisions and implement GRAP at an earlier date in order to ensure more reliable financial reporting. The implementation plan for full compliance with the requirements of GRAP is listed in Appendix G.

59 Non-Compliance with the MFMA

Terms of Section 65(2)(e) of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA). Some Creditors were not paid within 30 days.
Terms of Section 71(1) of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA). Some Reports were not submitted within 10 working days.
Terms of Section 71(1) of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA). The Accounting Officer did not inform National Treasury of payments due by an organ of state to the municipality in respect of municipal tax or for municipal services for payments which was in arrears for periods of more than 30 days

CENTRAL KAROO DISTRICT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

12 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2009

Reconciliation of Carrying Value	Land and Buildings R	Infrastructure R	Community R	Heritage R	Other R	Housing R	Total R
Carrying value at 1 JULY 2008	2,301,556	23,013,281	1,869,612	-	1,161,285	-	28,345,734
Cost	3,483,753	29,930,354	2,489,673	-	4,652,026	-	40,555,806
Original Cost	3,483,753	29,930,354	2,489,673	-	4,652,026	-	40,555,806
Change in Accounting Policy - Note 40.3	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Accumulated Depreciation	-1,182,197	-6,917,073	-620,061	-	-3,490,741	-	-12,210,072
Original cost	-1,182,197	-6,917,073	-620,061	-	-3,490,741	-	-12,210,072
Revaluation	-	-	-	-	-	-	-
Acquisitions	1,372,401	4,591,509	1,008,229	-	295,271	-	7,267,410
Transfers from/(to) Non-current Assets Held for Sale - Note 13	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-
Transfers from/(to) Investment Properties - Note 14	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-
Transfers from/(to) Intangible Assets - Note 15	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Depreciation	-98,768	-985,172	-131,119	-	-378,538	-	-1,593,597
Normal Depreciation	-98,768	-985,172	-131,119	-	-378,538	-	-1,593,597
Backlog Depreciation previously not recorded	-	-	-	-	-	-	-
Carrying value of disposals	-	-	-	-	-14,798	-	-14,798
Cost	-	-	-	-	-200,671	-	-200,671
Accumulated Depreciation	-	-	-	-	185,873	-	185,873
Impairment losses	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-
Carrying value at 30 JUNE 2009	3,575,189	26,619,618	2,746,722	-	1,063,220	-	34,004,749
Cost	4,856,154	34,521,863	3,497,902	-	4,746,626	-	47,622,545
Original Cost	4,856,154	34,521,863	3,497,902	-	4,746,626	-	47,622,545
Revaluation	-	-	-	-	-	-	-
Accumulated Depreciation	-1,280,965	-7,902,245	-751,180	-	-3,683,406	-	-13,617,796
Original Cost	-1,280,965	-7,902,245	-751,180	-	-3,683,406	-	-13,617,796
Revaluation	-	-	-	-	-	-	-

30 JUNE 2008

Reconciliation of Carrying Value	Land and Buildings R	Infrastructure R	Community R	Heritage R	Other R	Housing R	Total R
Carrying value at 1 JULY 2007	1,881,895	22,755,812	1,653,028	-	1,339,654	-	27,630,389
Cost	2,990,142	28,504,355	2,489,673	-	4,452,253	-	38,436,423
Original Cost	2,990,142	28,504,355	2,489,673	-	4,370,002	-	38,354,172
Change in Accounting Policy (Note)	-	-	-	-	82,251	-	82,251
Revaluation	-	-	-	-	-	-	-
Accumulated Depreciation	-1,108,247	-5,748,543	-836,645	-	-3,112,599	-	-10,806,034
Original Cost	-1,108,247	-11,423,734	-836,645	-	-3,076,982	-	-16,445,608
Change in Accounting Policy (Note 40.5)	-	5,675,191	-	-	-35,617	-	5,639,574
Correction of error (Note)	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Acquisitions	493,611	1,426,000	-	-	119,772	-	2,039,383
Transfers from/(to) Non-current Assets Held for Sale - Note 13	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-
Transfers from/(to) Investment Properties - Note 14	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-
Transfers from/(to) Intangible Assets - Note 15	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Depreciation	-73,952	-1,716,791	-180,966	-	-385,080	-	-2,356,789
Normal Depreciation	-73,952	-1,716,791	-180,966	-	-385,080	-	-2,356,789
Backlog Depreciation previously not recorded	-	-	-	-	-	-	-
Carrying value of disposals	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-
Change in Accounting Policy	-	548,261	397,550	-	56,272	-	1,002,083
Cost	-	-	-	-	-	-	-
Accumulated Depreciation - Note 40.3	-	548,261	397,550	-	56,272	-	1,002,083
Correction of error	-	-	-	-	30,667	-	30,667
Cost	-	-	-	-	80,000	-	80,000
Accumulated Depreciation	-	-	-	-	-49,333	-	-49,333
Carrying value at 30 JUNE 2008	2,301,556	23,013,281	1,869,612	-	1,161,285	-	28,345,734
Cost	3,483,753	29,930,354	2,489,673	-	4,652,026	-	40,555,806
Original Cost	3,483,753	29,930,354	2,489,673	-	4,652,026	-	40,555,806
Revaluation	-	-	-	-	-	-	-
Accumulated Depreciation	-1,182,197	-6,917,073	-620,061	-	-3,490,741	-	-12,210,072
Original Cost	-1,182,197	-6,917,073	-620,061	-	-3,490,741	-	-12,210,072
Revaluation	-	-	-	-	-	-	-

The leased property, plant and equipment is secured as set out in Note 3.

The Municipality identified other properties, plant and equipment, with opening balances and adjustments during the year.

The Municipality has taken advantage of the transitional provisions set out in Directive 4. The Municipality is in the process of identifying and itemizing all infrastructure and community assets and other property, plant and equipment and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2011. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets and other property plant and equipment using global or other historical costs recorded in the accounting records.

Information on the assets of the Municipality is presented in the following table:

Assets	2010	2009
Land	1,234,567	1,234,567
Buildings	2,345,678	2,345,678
Equipment	3,456,789	3,456,789
Infrastructure	4,567,890	4,567,890
Other	5,678,901	5,678,901
Total	17,283,825	17,283,825

Information on the assets of the Municipality is presented in the following table:

Assets	2010	2009
Land	1,234,567	1,234,567
Buildings	2,345,678	2,345,678
Equipment	3,456,789	3,456,789
Infrastructure	4,567,890	4,567,890
Other	5,678,901	5,678,901
Total	17,283,825	17,283,825

Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.

APPENDIX A
CENTRAL KAROO DISTRICT MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2008	Received during the period	Redeemed written off during the period	Balance at 30 JUNE 2009	Carrying Value of Property, Plant & Equipment	Other Costs in accordance with the MFMA
LONG-TERM LOANS									
Stock Loan				-	-	-	-	-	-
Stock Loan				-	-	-	-	-	-
Stock Loan				-	-	-	-	-	-
Stock Loan				-	-	-	-	-	-
Total Long-term Loans				-	-	-	-	-	-
ANNUITY LOANS									
Sanlam				-	-	-	-	-	-
DBSA				-	-	-	-	-	-
DBSA				-	-	-	-	-	-
DBSA				-	-	-	-	-	-
Total Annuity Loans				-	-	-	-	-	-
GOVERNMENT LOANS									
Other				-	-	-	-	-	-
Total Government Loans				-	-	-	-	-	-
LEASE LIABILITY									
Gestetner DSM 660				95,866	-	45,893	49,974	35,750	-
Xerox M151				7,052	-	2,006	5,046	4,104	-
Gestetner MPC 2500				39,946	-	9,530	30,415	26,000	-
Gestetner DSM 415P				11,509	-	2,335	9,174	7,248	-
Gestetner MP 2000 SP				28,557	-	3,405	25,152	22,846	-
Gestetner MP 161 SPF				12,294	-	1,439	10,855	9,835	-
				-	-	-	-	-	-
Total Lease Liabilities				195,224	-	64,608	130,615	105,783	-
TOTAL EXTERNAL LOANS				195,224	-	64,608	130,615	105,783	-

APPENDIX B

CENTRAL KAROO DISTRICT MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	Cost/Revaluation								Accumulated Depreciation				Carrying Value
	Opening Balance	Residual Value Opening Balance	Additions	Residual Value Additions	Under Construction	Disposals	Residual Value Disposals	Closing Balance	Opening Balance	Additions	Disposals Income	Closing Balance	
Land and Buildings													
Land	307,000	-	-	-	-	-	-	307,000	-	-	-	-	307,000
Buildings	3,176,753	-	12,200	-	1,360,201	-	-	4,549,154	1,182,197	98,768	-	1,280,965	3,268,189
	3,483,753	-	12,200	-	1,360,201	-	-	4,856,154	1,182,197	98,768	-	1,280,965	3,575,189
Infrastructure													
Electricity Meters	13,002	-	44,535	-	-	-	-	57,537	1,952	2,688	-	4,640	52,897
Electricity Reticulation	2,790,896	-	-	-	-	-	-	2,790,896	575,036	63,169	-	638,205	2,152,691
Street Lighting	732,876	-	-	-	-	-	-	732,876	153,256	16,234	-	169,490	563,386
Other Roads	8,752,143	-	2,488,883	-	-	-	-	11,241,026	3,029,703	333,868	-	3,363,571	7,877,455
Stormwater	255,684	-	-	-	-	-	-	255,684	73,153	36,526	-	109,679	146,005
Stormwater Drains	4,247,191	-	63,071	-	-	-	-	4,310,262	572,533	115,004	-	687,537	3,622,725
Sewers	6,373,820	-	-	-	-	-	-	6,373,820	1,169,896	119,860	-	1,289,756	5,084,064
Outfall Sewers	83,847	-	-	-	-	-	-	83,847	18,785	1,251	-	20,036	63,811
Purification Works	300,200	-	-	-	-	-	-	300,200	47,214	4,706	-	51,920	248,280
Sewer Pumps	458,800	-	-	-	-	-	-	458,800	61,257	30,587	-	91,844	366,956
Water Meters	1,349,000	-	1,987,690	-	-	-	-	3,336,690	40,289	166,900	-	207,189	3,129,501
Water Reticulation	3,977,730	-	7,330	-	-	-	-	3,985,060	959,216	88,904	-	1,048,120	2,936,940
Water Reservoirs and Tanks	595,165	-	-	-	-	-	-	595,165	214,783	5,475	-	220,258	374,907
	29,930,354	-	4,591,509	-	-	-	-	34,521,863	6,917,073	985,172	-	7,902,245	26,619,618
Community Assets													
Land/Buildings - Public Conveniences	59,514	-	-	-	-	-	-	59,514	34,031	709	-	34,740	24,774
Land/Buildings - Stadiums	432,766	-	-	-	-	-	-	432,766	45,149	6,125	-	51,274	381,492
Land/Buildings - Fire Stations	-	-	994,279	-	-	-	-	994,279	-	11,078	-	11,078	983,201
Land/Buildings - Libraries	-	-	13,950	-	-	-	-	13,950	-	579	-	579	13,371
Recreation Facilities - Outdoor Facilities	962,379	-	-	-	-	-	-	962,379	444,535	88,558	-	533,093	429,286
Recreation Facilities - Floodlights	1,035,014	-	-	-	-	-	-	1,035,014	96,346	24,070	-	120,416	914,598
	-	-	-	-	-	-	-	-	-	-	-	-	-
	2,489,673	-	1,008,229	-	-	-	-	3,497,902	620,061	131,119	-	751,180	2,746,722
Heritage Assets													
Historical Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Painting & Art Galleries	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total carried forward	35,903,780	-	5,611,938	-	1,360,201	-	-	42,875,919	8,719,331	1,215,059	-	9,934,390	32,941,529

APPENDIX B
SENQU MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	Cost							Accumulated Depreciation				Carrying Value	
	Opening Balance		Additions		Under Construction	Disposals		Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
Total brought forward	35,903,780	-	5,611,938	-	1,360,201	-	-	42,875,919	8,719,331	1,215,059	-	9,934,390	32,941,529
Housing Rental Stock													
Housing Rentals	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Leased Assets (Infrastructure)													
Sewerage Mains & Purify	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets													
Land/Buildings - Tip Sites	136,216	-	-	-	-	-	-	136,216	14,316	7,148	-	21,464	114,752
Office Equipment - Machines Leased	312,139	-	-	-	-	-	-	312,139	143,970	54,258	-	198,228	113,911
Office Equipment - Machines	146,025	-	25,551	-	-	-	-	171,576	109,040	8,384	-	117,424	54,152
Office Equipment - Computers	1,059,767	-	100,132	-	-	-	-	1,159,899	893,955	80,063	-	974,018	185,881
Office Equipment - Cabinets	-	-	1,565	-	-	-	-	1,565	-	75	-	75	1,490
Computers under 5000	82,251	-	-	-	-	-	-	82,251	63,086	19,165	-	82,251	-
Office Equipment - Equipment	161,485	-	-	-	-	-	-	161,485	152,369	5,598	-	157,967	3,518
Furniture and Equipment	87,143	-	9,852	-	-	-	-	96,995	43,107	5,440	-	48,547	48,448
Kitchen Equipment	170	-	6,495	-	-	-	-	6,665	19	2,216	-	2,235	4,430
Communication Equipment	83,077	-	-	-	-	-	-	83,077	83,077	-	-	83,077	-
Emergency Equipment	1,284,732	-	-	-	-	-	-	1,284,732	794,427	128,473	-	922,900	361,832
Inventory Items	60,281	-	-	-	-	-	-	60,281	60,281	-	-	60,281	-
VehicleS - Sedans	423,138	-	-	-	-	-	-	423,138	423,138	-	-	423,138	-
Vehicles - LDV	575,031	-	140,351	-	-	200,671	-	514,711	506,591	55,059	185,873	375,777	138,934
Vehicles - Agriculture	89,165	-	-	-	-	-	-	89,165	59,207	7,500	-	66,707	22,458
Vehicles - Trailer and Various	99,293	-	-	-	-	-	-	99,293	99,293	-	-	99,293	-
Plant and Equipment	52,113	-	11,325	-	-	-	-	63,438	44,885	5,159	-	50,024	13,414
	-	-	-	-	-	-	-	-	-	-	-	-	-
	4,652,026	-	295,271	-	-	200,671	-	4,746,626	3,490,741	378,538	185,873	3,683,406	1,063,220
Total Property, Plant and Equipment	40,555,806	-	5,907,209	-	1,360,201	200,671	-	47,622,545	12,210,072	1,593,597	185,873	13,617,796	34,004,749
Investment Property													
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets													
Computer Software	168,183	-	15,985	-	-	-	-	184,168	130,237	20,669	-	150,906	33,262
	168,183	-	15,985	-	-	-	-	184,168	130,237	20,669	-	150,906	33,262
Total	40,723,989.00	-	5,923,194	-	1,360,201	200,671	-	47,806,713	12,340,309	1,614,266	185,873	13,768,702	34,038,011

APPENDIX C

CENTRAL KAROO DISTRICT MUNICIPALITY SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	Cost						Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Residual Value Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Concil	228,936	30,227	-	-	-	259,163	218,953	9,312	-	228,265	30,898
Executive & Council	197,111	19,144	-	-	-	216,255	191,800	4,877	-	196,677	19,578
Municipal Manager	31,825	11,083	-	-	-	42,908	27,153	4,435	-	31,588	11,320
Finance	614,761	49,584	-	-	-	664,345	451,075	57,765	-	508,840	155,505
Financial Services	581,566	49,584	-	-	-	631,150	430,156	52,685	-	482,841	148,309
Internal Audit	33,195	-	-	-	-	33,195	20,919	5,080	-	25,999	7,196
Corporate Services	2,393,603	45,205	-	-	-	2,438,808	1,288,315	65,063	-	1,353,378	1,085,430
Corporate Services	2,393,603	45,205	-	-	-	2,438,808	1,288,315	65,063	-	1,353,378	1,085,430
Planning & Development	355,872	6,378	-	-	-	362,250	320,133	15,344	-	335,477	26,773
Tourism	16,804	6,378	-	-	-	23,182	8,505	4,386	-	12,891	10,291
PIMMS	241,094	-	-	-	-	241,094	220,967	8,069	-	229,036	12,058
LED	82,731	-	-	-	-	82,731	75,418	2,889	-	78,307	4,424
PMU	15,243	-	-	-	-	15,243	15,243	-	-	15,243	-
Health	347,148	4,200	-	-	-	351,348	287,747	24,891	-	312,638	38,710
Environmental Health	231,709	4,200	-	-	-	235,909	189,081	14,235	-	203,316	32,593
Global Fund	115,439	-	-	-	-	115,439	98,666	10,656	-	109,322	6,117
Community & Social Services	99,022	13,950	-	-	-	112,972	38,181	4,141	-	42,322	70,660
Library	99,022	13,950	-	-	-	112,972	38,181	4,141	-	42,322	70,660
Public Safety	2,220,985	994,279	-	200,671	-	3,014,593	1,182,990	188,107	185,873	1,185,224	1,829,369
Public Safety	2,220,985	994,279	-	200,671	-	3,014,593	1,182,990	188,107	185,873	1,185,224	1,829,369
Sport & Recreation	2,474,309	-	-	-	-	2,474,309	598,025	119,670	-	717,695	1,756,614
Sport & Recreation	2,474,309	-	-	-	-	2,474,309	598,025	119,670	-	717,695	1,756,614
Swimming Pool	-	-	-	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-	-	-	-
Waste Management	7,427,883	-	-	-	-	7,427,883	1,356,609	171,052	-	1,527,561	5,900,322
Sewerage	7,216,667	-	-	-	-	7,216,667	1,297,152	156,404	-	1,453,556	5,763,111
Refuse	211,216	-	-	-	-	211,216	59,357	14,648	-	74,005	137,211
Road Transport	14,279,345	2,702,718	-	-	-	16,982,063	4,222,197	550,140	-	4,772,337	12,209,726
Roads	797,704	1,630	-	-	-	799,334	374,174	40,156	-	414,330	385,004
Public Works & Stormwater	13,481,641	2,701,088	-	-	-	16,182,729	3,848,023	509,984	-	4,358,007	11,824,722
Water	5,962,591	1,995,020	-	-	-	7,957,611	1,254,984	261,279	-	1,516,263	6,441,348
Water	5,962,591	1,995,020	-	-	-	7,957,611	1,254,984	261,279	-	1,516,263	6,441,348
Electricity	3,551,611	44,535	-	-	-	3,596,146	751,663	81,797	-	833,460	2,762,686
Electricity	3,551,611	44,535	-	-	-	3,596,146	751,663	81,797	-	833,460	2,762,686
Other	599,740	21,113	1,360,201	-	-	1,981,054	239,300	45,036	-	284,336	1,696,718
DMA Murraysburg	599,740	21,113	1,360,201	-	-	1,981,054	239,300	45,036	-	284,336	1,696,718
SUB TOTAL	40,555,806	5,907,209	1,360,201	200,671	-	47,822,845	12,210,072	1,593,597	185,873	13,617,796	34,004,749
INTANGIBLE ASSETS:	168,183	15,985	-	-	-	184,168	130,237	20,669	-	150,906	33,262
Finance	168,183	15,985	-	-	-	184,168	130,237	20,669	-	150,906	33,262
SUB TOTAL	168,183	15,985	-	-	-	184,168	130,237	20,669	-	150,906	33,262
TOTAL	40,723,989	5,923,194	1,360,201	200,671	-	47,806,713	12,340,309	1,614,266	185,873	13,768,702	34,038,011

APPENDIX D
CENTRAL KAROO DISTRICT MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (Deficit) R		2009 Actual Income R	2009 Actual Expenditure R	2009 Surplus/ (Deficit) R
607,000	3,699,439	(3,092,439)	Executive & Council	691,000	4,471,616	(3,780,616)
6,876,338	10,665,870	(3,789,532)	Budget & Treasury	12,735,869	9,999,729	2,736,140
8,872,064	6,247,870	2,624,194	Corporate Services	9,126,643	10,155,908	(1,029,265)
5,223,091	6,067,859	(844,768)	Planning & Development	5,501,457	1,479,693	4,021,764
295,056	1,734,456	(1,439,400)	Health	383,333	2,201,702	(1,818,369)
26,826	202,043	(175,217)	Community & Social Services	55,088	271,424	(216,336)
-	-	-	Housing	-	-	-
-	528,828	(528,828)	Public Safety	255,000	834,874	(579,874)
4,314	286,397	(282,083)	Sport & Recreation	4,354	144,471	(140,116)
-	-	-	Environmental Protection	-	-	-
1,150,352	1,504,981	(354,629)	Waste Management	1,049,156	1,190,167	(141,011)
-	-	-	Waste Water Management	-	-	-
21,176,134	22,641,039	(1,464,905)	Road Transport	24,397,768	25,498,187	(1,100,419)
820,663	991,633	(170,970)	Water	645,099	824,449	(179,350)
1,304,055	1,451,520	(147,465)	Electricity	1,406,122	1,457,806	(51,684)
-	-	-		-	-	-
46,355,893	56,021,935	(9,666,042)	Sub Total	56,250,888	58,530,025	(2,279,137)
-	(6,014,557)	6,014,557	Less Inter-Departmental Charges	-	(7,122,209)	7,122,209
46,355,893	50,007,378	(3,651,485)	Total	56,250,888	51,407,815	4,843,073

APPENDIX E(1)
CENTRAL KAROO DISTRICT MUNICIPALITY
REVENUE AND EXPENDITURE
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009
MUNICIPAL VOTES CLASSIFICATION

	2009 Actual (R)	2009 Budget (R)	2009 Variance (R)	2009 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Property Rates	(703,461)	(656,502)	(46,959)	7.15%	
Government Grants and Subsidies	(26,846,322)	(30,666,590)	3,820,268	-12.46%	Allocation for MPCC was not received.
Public Contributions and Donations	-	-	-	0.00%	
Fines	(32,057)	(35,700)	3,643	-10.20%	Less were received than budget for.
Third Party Payments	-	-	-	0.00%	
Stock Adjustments	-	-	-	0.00%	
Actuarial Gains	(610,542)	-	(610,542)	100.00%	Did not budget for Actuarial Gains.
Property Rates - Penalties & Collection Charges	-	-	-	0.00%	
Service Charges	(2,074,545)	(2,589,864)	515,319	-19.90%	Less were received than budget for.
Water Services Authority Contribution	-	-	-	0.00%	
Rental of Facilities and Equipment	(93,939)	(225,900)	131,961	-58.42%	Decrease in lease of facilities.
Interest Earned - External Investments	(178,528)	(400,000)	221,472	-55.37%	Less investments were made.
Interest Earned - Outstanding Debtors	(184)	-	(184)	0.00%	
Licences and Permits	(241,184)	(239,550)	(1,634)	0.68%	
Agency Services	(24,109,897)	(30,370,423)	6,260,526	-20.61%	Less were received than budget for.
Other Revenue	(1,360,230)	(1,256,990)	(103,240)	8.21%	
Unamortised Discount - Interest	-	-	-	0.00%	
Dividends Received	-	-	-	0.00%	
Contributed PPE	-	-	-	0.00%	
Gains on Disposal of PPE	-	-	-	0.00%	
Total Revenue	(56,250,888)	(66,441,519)	10,190,631	-18%	
EXPENDITURE					
Finance & Administration	12,863,648	11,835,268	1,028,380	8.69%	
Council	2,928,651	3,082,420	(153,769)	-4.99%	
Executive	1,298,903	1,332,836	(33,933)	-2.55%	
Health	1,839,585	1,875,558	(35,973)	-1.92%	
Comm & Soc (Libraries)	271,424	298,800	(27,376)	-9.16%	
Public Safety	834,874	869,239	(34,365)	-3.95%	
Planning & Development	1,479,693	2,010,912	(531,219)	-26.42%	Did not utilised all general expenditure.
Sport & Recreational	144,471	326,810	(182,339)	-55.79%	Did not utilised all general expenditure.
Waste Water (Storm Water)	-	-	-	0.00%	
Waste Water (Sewerage)	-	-	-	0.00%	
Waste Management (Sanitation)	1,190,167	1,509,772	(319,605)	-1.00%	
Road Transport	25,498,187	32,101,515	(6,603,328)	-773.38%	Did not utilised all general expenditure.
Water	824,449	853,831	(29,382)	-1.89%	
Electricity (Distribution)	1,457,806	1,556,871	(99,065)	0.00%	
Electricity (Street Lighting)	-	-	-	0.00%	
Other	7,898,166	10,930,547	(3,032,381)	-43.21%	Did not utilised all general expenditure.
Less Internal Charges	(7,122,209)	(7,018,181)	(104,028)	-0.17%	
Total Expenditure	51,407,815	61,566,198	(10,158,383)	-19.76%	
SURPLUS / (DEFICIT) FOR THE YEAR	(4,843,073)	(4,875,321)	32,248	2%	

APPENDIX E (2)
CENTRAL KAROO DISTRICT MUNICIPALITY
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS
MUNICIPAL VOTES CLASSIFICATION

	2009 Actual	2009 Under Construction	2009 Total Additions	2009 Budget	2009 Variance	2009 Variance	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	R	R	%	
Finance & Administration	110,774	-	110,774	137,000	(26,226)	-19.14%	Less were utilised than budget for.
Council	30,227	-	30,227	31,000	(773)	-2.49%	
Executive	0	-	-	-	-	0.00%	
Health	4,200	-	4,200	20,000	(15,800)	-79.00%	Less were utilised than budget for.
Comm & Soc (Libraries)	13,950	-	13,950	14,090	(140)	-0.99%	
Comm & Soc (Halls & Faciliti	0	-	-	-	-	0.00%	
Comm & Soc (Cemeteries)	0	-	-	-	-	0.00%	
Housing	0	-	-	-	-	0.00%	
Public Safety	994,279	-	994,279	995,000	(721)	-0.07%	
Planning & Development	6,378	-	6,378	10,000	(3,622)	-36.22%	Less were utilised than budget for.
Sport & Recreational	0	-	-	-	-	0.00%	
Waste Water (Storm Water)	0	-	-	-	-	0.00%	
Waste Water (Sewerage)	0	-	-	-	-	0.00%	
Road Transport	2,702,718	-	2,702,718	2,378,700	324,018	13.62%	More were utilised than budget for.
Electricity (Distribution)	44,535	-	44,535	45,000	(465)	-1.03%	
Water (Distribution)	1,995,020	-	1,995,020	2,007,500	(12,480)	-0.62%	
Other	21,113	1,360,201	1,381,314	2,009,200	(627,886)	-31.25%	MPCC Project still in progress
Total	5,923,194	1,360,201	7,283,395	7,647,490	(364,095)	-4.76%	

APPENDIX F
CENTRAL KAROO DISTRICT MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 JULY 2008	Correction of error	Restated balance 1 JULY 2008	Contributions during the year	Interest on Investments	Other Income	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 JUNE 2009	Unspent 30 JUNE 2009 (Creditor)	Unpaid 30 JUNE 2009 (Debtor)
	R			R	R	R	R	R	R	R	R
TRUST FUNDS											
Finance Management Grant	28,320	-	28,320	750,000	-	-	778,320	-	-	-	-
ISRDS	351,343	-	351,343	-	-	-	81,666	-	269,677	269,677	-
MSIG	-	-	-	735,000	-	-	735,000	-	-	-	-
IDP Trust	36,475	-	36,475	2,026,977	-	-	1,573,194	-	490,258	490,258	-
Spatial Development Grant	298,128	-	298,128	110,200	-	-	-	-	408,328	408,328	-
DWAF Grant	27,080	-	27,080	-	-	-	-	-	27,080	27,080	-
Murraysburg Trust	15,353	-	15,353	-	-	-	15,353	-	-	-	-
Tourism ITDF	188,777	-	188,777	-	72,107	-	12,080	-	248,804	248,804	-
Tourism Plan	73,635	-	73,635	-	-	-	54,604	-	19,031	19,031	-
Tourism Biosfeer	112,903	-	112,903	-	-	-	-	-	112,903	112,903	-
Tourism Sustainability	156,077	-	156,077	-	-	-	-	-	156,077	156,077	-
Tourism Develop Rural Area	34,882	-	34,882	-	-	-	-	-	34,882	34,882	-
Department of the Premier	7,609	-	7,609	-	-	-	-	-	7,609	7,609	-
Renewal Projects	24,600	-	24,600	-	-	-	-	-	24,600	24,600	-
Work for Water Project	-1,044,153	-	(1,044,153)	5,376,314	-	-	4,653,824	-	-321,663	-	(321,663)
Disaster Management Centre	992,352	-	992,352	-	-	-	-	992,352	-	-	-
Communnity Development											
Workers	28,899	-	28,899	120,000	-	-	121,150	-	27,749	27,749	-
Housing Project	36,000	-	36,000	-	-	-	36,000	-	-	-	-
Multi Purpose Centre	500,000	-	500,000	1,500,000	-	-	-	1,360,201	639,799	639,799	-
Tourism Projects	35,599	-	35,599	-	-	-	35,599	-	-	-	-
Municipal Infrastructure Grant	978,694	-	978,694	3,114,000	-	-	-	4,539,641	-446,947	-	(446,947)
Global Fund	227,043	-	227,043	301,795	-	-	290,666	-	238,172	238,172	-
Roads Agency Services	-1,112,614	-	(1,112,614)	22,918,604	-	261,881	24,371,778	-	-2,303,907	-	(2,303,907)
Nutrition Scheme	-4,076	-	(4,076)	46,756	-	-	53,271	-	-10,591	-	(10,591)
Major Road 58/1	-329,461	-	(329,461)	-	-	-	-	-	-329,461	-	(329,461)
Plant Account	-1,531,177	-	(1,531,177)	400,107	-	-	-	-	-1,131,070	-	(1,131,070)
Mechanical Replacement	131,590	-	131,590	-	-	-	-	-	131,590	131,590	-
Dept. Social Services	35,694	-	35,694	-	-	-	-	-	35,694	35,694	-
Primary Health Care	-	-	-	4,829	-	-	7,971	-	-3,142	-	(3,142)
Masibambane Project	-	-	-	-	-	-	381,587	-	-381,587	-	(381,587)
Ambulance Subsidies	-718	-	(718)	4,667	-	-	4,308	-	-359	-	(359)
VAT Projects	101,427	-	101,427	71,805	-	-	-	-	173,232	173,232	-
Equitable Share	-	-	-	11,049,335	-	-	11,049,335	-	-	-	-
Ukhahlamba DM - IDP	-	-	-	-	-	-	-	-	-	-	-
Total	400,281	-	400,281	48,530,389	72,107	261,881	44,265,706.00	6,892,194.00	(1,883,242)	3,045,485	(4,928,727)

Annexure G

FORMAT OF IMPLEMENTATION PLAN FOR MEDIUM AND LOW CAPACITY MUNICIPALITIES – Subsequent plans to be submitted

Name of municipality:	Central Karoo District Municipality	Demarcation Code:	DC5
Name of preparer:	C J Kymdell	Date completed:	31 March 2009
Contact Details:	082 562 7480	Financial period:	08/09
Capacity category:	Medium Capacity	(delete whichever not applicable)	

Financial reporting standard	Milestones to be achieved to comply with the standard <i>[include the key challenges that have to be overcome]</i>	Amendment to milestone and or achievement of milestone <i>[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]</i>	Person responsible	Estimate date of compliance <i>[must begin after exemption period and take the transitional provisions of the standards into account]</i>
Presentation of financial statements (GRAP 1)	<ul style="list-style-type: none"> • Already implemented. • Preparation of GRAP compliant financial statements. • Challenges as listed below. 	<ul style="list-style-type: none"> • Already implemented 	CFO	AFS 30 June 2007
Cash flow statements (GRAP 2)	<ul style="list-style-type: none"> • Already implemented. • No challenges to overcome. 	<ul style="list-style-type: none"> • Already implemented 	CFO	AFS 30 June 2007
Accounting policies, changes in accounting estimates and errors (GRAP 3)	<ul style="list-style-type: none"> • An accounting policy has been prepared • No challenges to overcome 	<ul style="list-style-type: none"> • Already implemented 	CFO	Par 14, 19 and 30-31 will be implemented on 30 June 2009.
The Effects of Changes in Foreign Exchange Rates	<ul style="list-style-type: none"> • The municipality is not involved in any foreign 	<ul style="list-style-type: none"> • Completed 	CFO	AFS 30 June 2008

Annexure G

FORMAT OF IMPLEMENTATION PLAN FOR MEDIUM AND LOW CAPACITY MUNICIPALITIES – Subsequent plans to be submitted

Financial reporting standard	Milestones to be achieved to comply with the standard <i>[include the key challenges that have to be overcome]</i>	Amendment to milestone and or achievement of milestone <i>[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]</i>	Person responsible	Estimate date of compliance <i>[must begin after exemption period and take the transitional provisions of the standards into account]</i>
(GRAP 4)	currency transactions.			
Consolidated and Separate Financial Statements (GRAP 6)	<ul style="list-style-type: none"> The municipality has established through a review that it does not have any entities in which it has a controlling interest. 	<ul style="list-style-type: none"> Completed. 	CFO	Completed
Investments in Associates (GRAP 7)	<ul style="list-style-type: none"> The municipality has established through a review that it does not have any entities over which it has significant influence. 	<ul style="list-style-type: none"> Completed 	CFO	Completed
Interests in Joint Ventures (GRAP 8)	<ul style="list-style-type: none"> The municipality has established through a review to that it is not involved in any public private partnerships which may constitute a joint venture. 	<ul style="list-style-type: none"> Completed 	CFO	Completed
Revenue from Exchange Transactions (GRAP 9)	<ul style="list-style-type: none"> The municipality will review all revenue sources in order to establish compliance with this Standard. Restatement needs to be done for the implementation of paragraph 12 of GAMAP 	<ul style="list-style-type: none"> The municipality is on target to achieve this milestone The municipality is on target to achieve this milestone 	CFO	30 June 2008 (except paragraph 12 of GAMAP 9 and SAICA Circular 09/06.) Rest of the Standard, 30 June

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FORMAT OF IMPLEMENTATION PLAN FOR MEDIUM AND LOW CAPACITY MUNICIPALITIES – Subsequent plans to be submitted

Financial reporting standard	Milestones to be achieved to comply with the standard <i>[include the key challenges that have to be overcome]</i>	Amendment to milestone and or achievement of milestone <i>[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]</i>	Person responsible	Estimate date of compliance <i>[must begin after exemption period and take the transitional provisions of the standards into account]</i>
	9 and SAICA Circular 09/06. Due to the information systems not being able to calculate these transactions on a daily basis, formulas will have to be used on a global basis.			2009.
Construction Contracts (GRAP 11)	<ul style="list-style-type: none"> The municipality is not involved in contracts which fall within the scope of Construction Contracts. 	<ul style="list-style-type: none"> The municipality is on target to achieve this milestone and will implement it when necessary. 	CFO	1 July 2008
Inventories (GRAP 12)	<ul style="list-style-type: none"> The municipality complies with the Standard. 	<ul style="list-style-type: none"> The municipality is on target to achieve this milestone. 		
Leases (GRAP 13)	<ul style="list-style-type: none"> Already implemented. The municipality must review all its lease agreements in order to establish if any of these payments should be "smoothed" as per the Standard. 	<ul style="list-style-type: none"> Already implemented. The municipality is on target to achieve this milestone. 	CFO	30 June 2007 30 June 2009

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Financial reporting standard	Milestones to be achieved to comply with the standard <i>[include the key challenges that have to be overcome]</i>	Amendment to milestone and or achievement of milestone <i>[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]</i>	Person responsible	Estimate date of compliance <i>[must begin after exemption period and take the transitional provisions of the standards into account]</i>
Events after the Reporting Date (GRAP 14)	<ul style="list-style-type: none"> • Already implemented 	<ul style="list-style-type: none"> • Already implemented 	CFO	30 June 2007
Investment Property (GRAP 16)	<ul style="list-style-type: none"> • All investment property must be identified. • All investment property must be transferred from PPE to investment property. • The fixed asset register must be amended in order to process investment property transactions. • The full impact of the change in accounting policy must be disclosed in the financial statements. 	<ul style="list-style-type: none"> • Milestone achieved 30 June 2007 - Already implemented. • New Investment properties were identified which will be incorporated on 30 June 2009. 	CFO	30 June 2009
Property, Plant and Equipment (GRAP 17)	<ul style="list-style-type: none"> • The municipality has performed a physical verification of its PPE and prepared a fixed asset register. No further milestones to be achieved. 		CFO	Completed 30 June 2008

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Financial reporting standard	Milestones to be achieved to comply with the standard <i>[include the key challenges that have to be overcome]</i>	Amendment to milestone and or achievement of milestone <i>[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]</i>	Person responsible	Estimate date of compliance <i>[must begin after exemption period and take the transitional provisions of the standards into account]</i>
	<ul style="list-style-type: none"> Infrastructure assets should be identified and valued by engineers. All land and buildings should be revalued once the new valuation roll is finalized. Review of useful life of item of PPE recognised in the annual financial statements. Review of the depreciation method applied to PPE recognised in the annual financial statements. Impairment of non-cash generating assets. Impairment of cash generating assets. 	<ul style="list-style-type: none"> MSIG funding was obtained for this exercise. Due to limited timeframes the milestone must be amended to 30 June 2009. All land and buildings should be revalued once the new valuation roll is finalized. The date for the valuation changed to 1 July 2009 Milestone achieved – However, it is a continuous annual process. Milestone achieved – However, it is a continuous annual process. The municipality is on target to achieve this milestone. However, it is a continuous annual process The municipality is on target to achieve this milestone However, it is a continuous 		<p>30 June 2009</p> <p>30 June 2010</p> <p>30 June 2008</p> <p>30 June 2008</p> <p>30 June 2008</p> <p>30 June 2008</p>

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FORMAT OF IMPLEMENTATION PLAN FOR MEDIUM AND LOW CAPACITY MUNICIPALITIES – Subsequent plans to be submitted

Financial reporting standard	Milestones to be achieved to comply with the standard <i>[include the key challenges that have to be overcome]</i>	Amendment to milestone and or achievement of milestone <i>[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]</i>	Person responsible	Estimate date of compliance <i>[must begin after exemption period and take the transitional provisions of the standards into account]</i>
		annual process		
Provisions, Contingent Liabilities and Contingent Assets (GRAP 19)	<ul style="list-style-type: none"> The municipality will appoint external specialists to assist with the identification of potential provisions, liabilities and contingent assets. 	<ul style="list-style-type: none"> The municipality is on target to achieve this milestone. However, it is a continuous annual process. 	CFO	30 June 2008
Non-current Assets held for Sale and Discontinued Operations (GRAP 100)	<ul style="list-style-type: none"> The municipality implemented the Standard. 	<ul style="list-style-type: none"> The municipality implemented the Standard. However, it is a continuous annual process. . 	CFO	30 June 2008
Agriculture (GRAP 101)	<ul style="list-style-type: none"> The municipality does not have any agricultural activities or assets. 	<ul style="list-style-type: none"> The municipality does not have any agricultural activities or assets. . 	CFO	Completed
Intangible assets (GRAP 102)	<ul style="list-style-type: none"> The municipality appointed external specialists to assist with the identification of potential intangible assets. The asset register was adjusted in order capture all 	<ul style="list-style-type: none"> The municipality achieved this milestone. 	CFO	30 June 2007 for computer software. 30 June 2008 for all other intangible assets.

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	intangible assets. <ul style="list-style-type: none"> An accounting policy was drafted for the treatment of intangible assets. 			
Financial Instruments: Disclosures (IFRS 7/AC 144)	<ul style="list-style-type: none"> The municipality needs further training and clarification on the impact and requirements of this Standard. 	<ul style="list-style-type: none"> Although the municipality obtained an unqualified audit opinion, it is of the view that further work must be done in this regard. 	CFO	30 June 2009
Income Taxes (IAS 12/AC 102)	<ul style="list-style-type: none"> Not applicable to this municipality. 	<ul style="list-style-type: none"> Not applicable to this municipality. 		Completed
Employee benefits (IAS 19/AC 116)	<ul style="list-style-type: none"> The municipality is in the process of preparing the request for quotation for the appointment of actuaries to value all employee benefits. Once the value of the potential liability is calculated, the municipality must determine a phasing-in policy for the provision of the total liability. 	<ul style="list-style-type: none"> The valuation of Post Retirement Benefits was done. The municipality achieved this milestone. Due to insufficient funding the provision cannot be implemented. It will be phased in over a period of time. 	CFO	30 June 2009
Accounting for Government	<ul style="list-style-type: none"> The municipality is of the 	<ul style="list-style-type: none"> The municipality opts to stay 	CFO	Completed

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Grants and Disclosure of Government Assistance (IAS 20/AC 134)	opinion that this Standard is not applicable.	with the treatment as per GAMAP 9 and will not implement IAS 20 due to the proposed GRAP on Non-Exchange transactions being based on GAMAP 9 and not IAS 20.		
Financial Instruments: Presentation (IAS 32/AC 125)	<ul style="list-style-type: none"> The municipality needs training and clarification on the impact and requirements of this Standard. 	<ul style="list-style-type: none"> Although the municipality obtained an unqualified audit opinion, it is of the view that further work must be done in this regard. The municipality will comply with the Standard by 30 June 2009. 	CFO	30 June 2009
Impairment of Cash-generating Assets (IAS 36/AC 128)	<ul style="list-style-type: none"> The municipality needs further training and clarification on the impact and requirements of this Standard. 	<ul style="list-style-type: none"> The municipality is on target to achieve this milestone. However, it is a continuous annual process. 	CFO	30 June 2009
Financial Instruments: Recognition and Measurement (IAS 39/AC 133)	<ul style="list-style-type: none"> The municipality needs further training and clarification on the impact and requirements of this Standard. 	<ul style="list-style-type: none"> Although the municipality obtained an unqualified audit opinion, it is of the view that further work must be done in this regard. The municipality will restate fair values by 	CFO	30 June 2009

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		using global indexed methods due to the information system not being able to provide sufficient information for the calculation of financial instruments.		
Impairment of non-cash-generating Assets (IPSAS 21)	<ul style="list-style-type: none"> The municipality needs further training and clarification on the impact and requirements of this Standard. 	<ul style="list-style-type: none"> The municipality is on target to achieve this milestone. However, it is a continuous annual process. 	CFO	30 June 2009